

## Reagan Promises 'Serious' Bipartisan Talks on Deficit

WASHINGTON — President Ronald Reagan asserted Friday that there was no political trickery behind his plan to cut the budget deficit by \$100 billion through bipartisan negotiations.

Mr. Reagan, who will announce Sunday whether he intends to run for re-election, met Friday with Republican congressmen at a White House breakfast as part of an effort to blunt attacks by his Democratic opponents.

Mr. Reagan said, "I want you and your Democratic colleagues to know that I'm serious about negotiating a down payment on the deficit. This is not a political posturing, as some suggested."

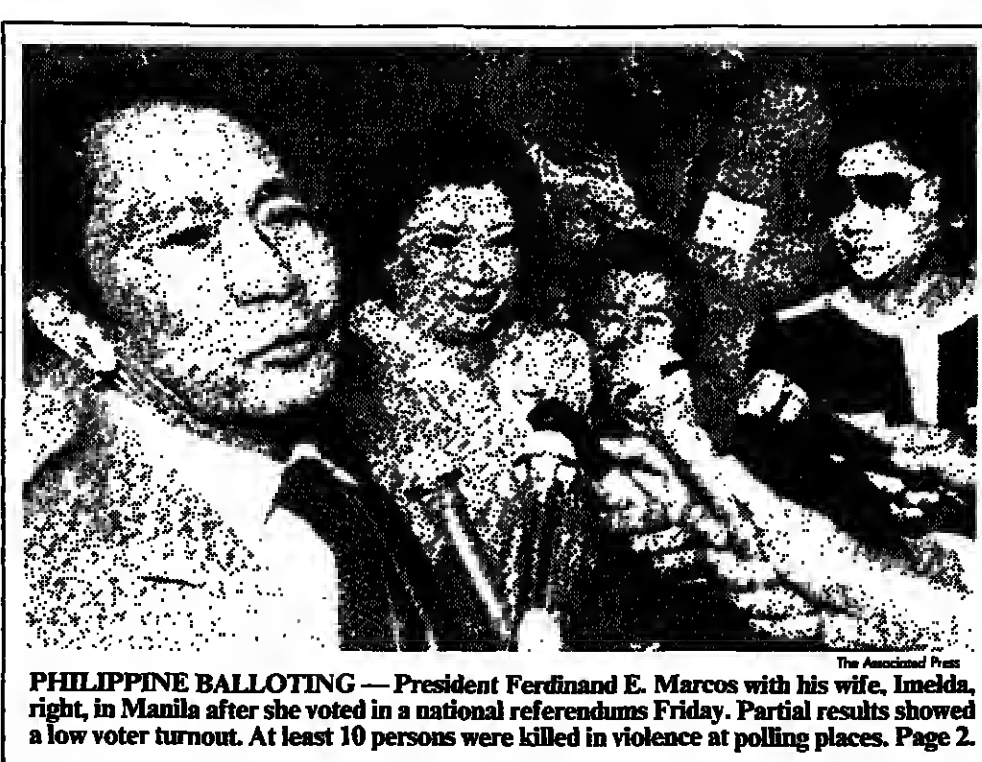
However, Democrats in Congress say they will wait to see the president's budget and ideas for cutting the deficit before accepting his invitation to bipartisan talks.

"I'm not ruling anything out as beyond the bounds of legitimate debate," Mr. Reagan said Friday. "But I do think that we should try to concentrate on the less contentious issues. If we all focus on what's 'do-able' we can get something done for the American people."

Senator Lawton Chiles of Florida, the senior Democrat on the Senate Budget Committee, said Mr. Reagan's offer is either "a great opportunity or a very good political ploy."

The House Republican leader, Robert H. Michel of Illinois, said, "This is our best shot, and it may be our only shot, at doing something constructive about the deficits."

During his State of the Union address to Congress Wednesday night, Mr. Reagan offered to have top White House aides negotiate



PHILIPPINE BALLOTING — President Ferdinand E. Marcos with his wife, Imelda, right, in Manila after she voted in a national referendum Friday. Partial results showed a low voter turnout. At least 10 persons were killed in violence at polling places. Page 2.

## France Orders Troops in Chad to Move North to Engage Rebel Forces There

PARIS — French troops in Chad moved Friday to an area 63 miles (100 kilometers) to the north of their previous forward line, according to reports from the Chadian capital of N'djamena. They were given orders to engage any hostile forces in the area.

The Defense Ministry in Paris announced the orders for the move. In N'djamena, meanwhile, sources said that France was building up its air strength following the loss of a Jaguar aircraft and the death of its pilot in a clash with an attacking Chadian rebel column on Wednesday.

Sources in N'djamena also said that the rebels and their Libyan allies had returned to territory under their control after the attack, which was aimed at a Chadian government outpost.

The ministry in Paris, in a communiqué, said that after the rebel assault, Defense Minister Charles Hernu had asked military commanders to extend the northern limit of the French defensive zone.

They had been told "to apply to the northern limit of the surveillance zone... standing orders to engage hostile forces already in force south of the Salal-Arada line."

Military sources said this effectively meant that the 3,000-member French force was moving about 60 miles to the north.

Until Friday, French troops had not been authorized to attack hostile forces unless they penetrated beyond the 63-mile "surveillance zone" to the south of the Salal-Arada line.

The French force had established that line as its forward limit after arriving last August to support the government of President Hissène Habré. The French arrived two months after rebel troops, led by former President Goukouni Oueddei and supported by Libya, launched an offensive from the north.

The new front line brought the French forces to within 125 miles of the main rebel stronghold at Faya-Largeau, the sources said.

A French radio correspondent in N'djamena reported late Friday that French troops and planes were patrolling the new zone, despite

## Kohl, in Israel, Is Firm On Arms Sales to Saudis

Compiled by Our Staff From Dispatches

TEL AVIV — Chancellor Helmut Kohl of West Germany told Prime Minister Yitzhak Shamir of Israel on Friday that Bonn would stand firm on proposed arms sales to Saudi Arabia despite Israeli opposition, news reports said.

When asked by West German reporters if he would refrain from selling arms to the Saudis, Mr. Kohl said, "German policy is made in Bonn and not in Israel." The Associated Press reported.

Israeli television, according to United Press International, quoted Mr. Kohl as telling Mr. Shamir: "Israel makes huge weapons deals with many countries. Sometimes Israeli weapons reach enemies of Israel."

Mr. Kohl on Thursday told Mr. Shamir that West Germany would seek guarantees that arms sold to Saudi Arabia would not end up in other Arab countries.

Saudi Arabia is technically at war with Israel and gives financial and political aid to Israel's enemy, the Palestine Liberation Organization.

In their third round of talks since Mr. Kohl arrived Tuesday, Mr. Shamir called on the chancellor not to supply arms to Riyadh, an Israeli spokesman said.

But a West German spokesman, Peter Boenisch, said Bonn already had a credit of \$5.5 billion for the sales from Riyadh.

The television, quoting unidentified West German officials, said Mr. Kohl told Mr. Shamir that Bonn could not renege on the deal. The Saudis have reportedly prepared a shopping list that includes Gephard anti-aircraft tanks, Roland ground-to-air missiles and Marder armored personnel carriers. These weapons are considered "defensive."

Mr. Kohl made it clear in October that West Germany had no intention of selling Leopard-2 battle tanks to the kingdom. The tanks are considered "offensive" weapons that could be used in an attack on another country.

"All the thoughts and fears we heard here will be taken into consideration," Mr. Boenisch said. "We will take everything to Bonn to look at it again."

Mr. Boenisch, asked if West Ger-



Helmut Kohl talked Friday with children at a kibbutz.

## U.S. Trade Deficit Hits Record \$69.4 Billion

By Jane Seaberry  
Washington Post Service

WASHINGTON — The United States last year suffered a record \$69.4-billion merchandise trade deficit as Americans bought more foreign automobiles, office machines and telecommunications equipment.

U.S. manufactured and agricultural goods, meanwhile, went unsold in foreign markets.

Public and private economists predicted Thursday that the trade deficit, which reached \$42.7 billion in 1982, would pass \$100 billion this year, threatening the expansion of the economy and new job growth and providing ammunition for import protection from Congress.

"The deficit will be even larger in 1984," said Commerce Secretary Malcolm Baldrige.

He said that exports should grow moderately during the year, encouraged by faster growth in foreign economies.

But he said that export gains would be limited because the high value of the dollar against other currencies made imports relatively cheap and U.S. exports more expensive than foreign goods.

"So far, exporting and import-competing industries have borne the brunt of the adjustments to the large federal deficit and the failure to bring government expenditures into line with revenues," Mr. Baldrige said.

In previous years, the merchandise trade deficit suffered because of large oil imports.

However, economists noted Thursday that oil imports declined during the first three quarters of last year and the major problem seemed to be that Americans were unable to sell machinery, iron and steel and chemical products, bituminous coal and some agriculture products. In the past, agriculture had been one of the bright spots in U.S. trade.

Imports last year rose 5.9 percent while exports declined by 5.5 percent over 1982 levels. The largest trade deficit was with Japan, \$21.7 billion.

Canada, America's largest trad-

## A Beneficiary of Research, 4-Year-Old Survives Drowning

By E.R. Shipp  
New York Times Service

CHICAGO — If it had happened seven years ago, Jimmy Tontlewicz would be dead. Instead, the 4-year-old, whose limp body was hauled from beneath the ice floes of Lake Michigan Jan. 15, is beginning to recover.

In the past few years, researchers have discovered that, after total submersion in cold water for even as long as an hour, one is not necessarily dead. In addition, new methods of treating the victims once they have been revived have sometimes left them with little or no brain damage.

What could have been more catastrophic began when Jimmy was taken with his father sledding along the lakefront. According to his father, Terrence N. Tontlewicz, Jimmy pushed the sled down an embankment and onto the lake. When Mr. Tontlewicz went down to retrieve the sled, Jimmy jumped onto the ice and both fell through. Jimmy was under water more than 20 minutes; his father was able to stay afloat much of the time.

body temperature had fallen to 26.6 degrees centigrade (80 degrees Fahrenheit).

On Wednesday, Jimmy's condition was upgraded to fair. A day earlier, he had been taken off life-support equipment.

Dr. Robert R. Tanz, Jimmy's physician at Children's Memorial Hospital, said: "He's sort of in an early rehabilitative phase. He's out of the coma. He is awake at times. He moves around. We're in a phase now where we are evaluating what he can and can't do, and once we've finished doing that, hopefully we can tailor the kinds of therapy he is going to need."

Jimmy's mother, Kathy, has been at the hospital around the clock since the incident. Wednesday, she said, Jimmy was able to drink juice. She said she knew Jimmy would recover when, a few days ago, "he opened his eyes when I was there."

"The doctors said that with work he can be brought up to his normal abilities," Mrs. Tontlewicz said. "It'll be like teaching him when he was small all over again."



Jimmy Tontlewicz

## Reagan, Abe Discuss Trade Differences

WASHINGTON — Japan's foreign minister on Friday explored with President Ronald Reagan and other U.S. officials ways to ease trade frictions before they become issues in the American election campaign, Japanese diplomatic sources said.

Foreign Minister Shintaro Abe, who arrived in Washington on Thursday for several days of talks, bore a message saying that the newly reorganized government of Prime Minister Yasuhiro Nakasone is "anxious to deal with pending issues" and will pursue closer ties with Washington despite the Nakasone government's recent election reverses, according to these sources.

[Japan has offered to increase beef and orange imports from the United States over four years in an effort to break a stalemate in farm trade negotiations, the Kyodo news service said Friday, United Press International reported from Tokyo. Quoting sources, Kyodo said Japan saw the offer as the basis for extending the current three-year farm import agreement, due to expire March 31.]

After meeting with Mr. Reagan at the White House, Mr. Abe, speaking through an interpreter, said: "The Japanese-U.S. relationship is the most important bilateral relationship in the world and in order to further the relationship, it's important to have frank exchanges of views on these matters."

Vice President George Bush, (Continued on Page 2, Col. 6)

## Nigeria's Economic Woes Obscure Diplomatic Ambitions

By Glenn Frankel  
Washington Post Service

LAGOS — For Nigeria's new military government, solving the economic crisis is the principal goal but an underlying theme is to regain for Africa's largest nation its former status as the continent's dominant black-raced power.

Leading newspapers and political analysts have called for a renewal of the aggressive, at times anti-Western, foreign policy that was a hallmark of the last military regime.

Such a policy would certainly include a strong challenge to the Reagan administration policy of "constructive engagement" with white-ruled South Africa and U.S. attempts to link independence for South African-ruled South-West Africa, or Namibia, with the withdrawal of Cuban troops from neighboring Angola.

But Nigeria's new leaders, while endorsing in principle the theme of re-establishing claim to being Africa's spokesman, have cautioned that the country's economic weakness and internal problems may make that impossible.

"We cannot be as dynamic as the Murtala regime," said the Nigerian leader, Major General Mohammed Buhari, referring to the last military rulers who left power in 1979.

General Buhari's ambivalence is reflected in the military's two top foreign policy appointments. Ibrahim Gansari, a Nigerian academic who directed the country's leading foreign policy research organization, was named external affairs minister. Mr. Gansari is considered a cautious, pragmatic diplomat who is known to believe that Nigeria must tend to its internal problems before stepping back on the world stage.

"He's an advocate of little Nigeria," said a Western diplomat.

At the same time, however, the government appointed retired Major General Joseph Barba, an external affairs commissioner under a previous military government, representative to the United Nations. A Harvard-trained administrator, General Barba was credited for many aggressive and outspoken Nigerian positions and is expected to push hard for a return to that approach.

For the United States, the new regime presents a dilemma. While criticizing the downfall of a democracy, U.S. diplomats have been quick to focus on the new government's apparent popularity and moderation.

As one sign of confidence, the United States has gone ahead with the previously planned appointment of Thomas W.M. Smith, current ambassador to Ghana, as the new envoy to Nigeria. Diplomats are advising American investors that the new government appears stable and cautious.

But analysts see two problems. If Nigeria does regain its economic health, it is more likely to challenge U.S. policy. If the new regime fails, however, it could face the prospect of a takeover by younger, more radical officers with far more uncertain results.

"Now is not the time for a passionate public embrace of the new government," said a senior Western diplomat. "It is the time for some quiet, backroom support and a good deal of caution."

General Buhari said his new military government will never mortgage Nigeria's economy to foreign interests, The Associated Press reported Friday, quoting Lagos Radio.

[At a farewell ceremony for the UN secretary-general, Javier Pérez de Cuellar, General Buhari said that, while his administration would welcome foreign assistance, it would not compromise Nigeria's independence. Nigeria's total internal and external debts stand at 29.9 billion naira (\$39.8 billion), the new government has said.]

On paper at least, Nigeria and South Africa are the poles around which most of Africa revolves — Nigeria because it is the continent's largest and wealthiest black-ruled state, and South Africa because it is the sole remaining white-ruled one.

In reality, Nigeria's grasp of African diplomatic leadership has often seemed tentative and halfhearted. A series of military coups beginning in 1966 and the bloody three-year civil war with rebel Biafra that killed nearly one million people caused Nigerians to look inward.

Nigeria also adopted an active Third World stance in the UN that some interpreted as anti-American, although Nigerian officials argued that they were emphasizing Nigerian interests above Western ones in the heady days of oil revenue growth.

When the military returned the country to civilian rule in 1979, the government of President Shehu Shagari pledged to continue the policy. But while the outlines remained the same, the style changed as Nigeria's oil wealth ran down and Mr. Shagari had to seek loans and credits from the West.

"We became a beggar nation and we were in no position to say 'no' to the United States," said Dede Hiwa, editor of the Sunday Concord newspaper.

The Reagan administration has been criticized for concentrating mainly on southern Africa in its Africa policy, to the virtual exclusion of Nigeria, the largest U.S. trading partner in black Africa.

One reason the program was blocked last year was that many members of Congress were angered over the secret financing. Another reason was Israel's opposition.

On Thursday, however, an Israeli Embassy spokesman indicated a softening of Israel's position, apparently after extensive discussions with the administration.

Vietor Harel, the spokesman, said Israel opposed in principle the transfer of sophisticated weapons to a country not at peace with Israel. But as to Jordan's rapid deployment force, he said his government was studying the matter.

This was regarded by Israeli diplomats and administration officials as a signal of a shift in Israel's attitude, a result in part of the improved U.S.-Israeli relations since Prime Minister Yitzhak Shamir and Defense Minister Moshe Arens visited Washington last November.

During that visit, the United States and Israel agreed to enhance "strategic cooperation." Washington has made it clear that it expects Israel to be more sympathetic to its efforts to help friendly Arab governments.

Administration officials said it was crucial for the United States to support King Hussein of Jordan at this time. Jordan is at odds with Syria and Iran, the countries which have caused the United States the most trouble in Lebanon. Hussein is also planning talks with Yasser Arafat, the Palestine Liberation Organization leader, and possibly with President Hosni Mubarak of Egypt on ways of reviving diplomatic efforts on behalf of the Palestinians living on the Israeli-occupied West Bank.



Mohammed Buhari

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## AMERICAN TOPICS

Searching for Clues  
At the White House

As President Ronald Reagan's Sunday night announcement of his intentions toward a second term draws near, without any formal word from him on whether he will run again, political observers are carefully sifting all White House words and deeds for clues.

Among the clues being cited are indications that Mr. Reagan will run for re-election in his scheduling of a White House party for 200 Republicans a few hours before the announcement. Another is the White House's plan to issue the text of his five-minute speech to the news media on a "hold for release" basis nearly four hours before the president delivers it live. The early release is seen as a signal that the speech will contain no surprises.

Apparently raising the suspense, the White House remained tight-lipped even after a midweek tumble in stock prices triggered by rumors that he would not run for a second term.

"We're not dealing in rumors," said Peter H. Rousell, a deputy White House press secretary. "Time in on Jan. 29."

## Notes on People

Richard L. Ottinger, Democrat of New York, who has spent 16 of the past 20 years in the House, plans to retire at the end of this session. Mr. Ottinger, 55, a liberal, says he has



Richard L. Ottinger

grown weary of the grind on Capitol Hill and disenchanted with his party's leadership and initiatives. In an interview with The New York Times, he said he had made his decision because of "the frustration of achieving things I want for this country through this institution and the fact I think it is likely to remain more or less the same."

The head of the Government Printing Office has resigned with harsh criticism directed at the White House, saying that the way in which it selects senior political appointees is "degrading, absurd, wasteful and counterproductive." Danford L. Sawyer Jr. said the White House had promised him a new job as head of the General Services Administration to replace Gerald P. Casarea. But Mr. Casarea, who will become the UN delegate in Geneva next month, promoted his own candidate for the job, Mr. Sawyer said. Describing himself as "deeply frustrated," Mr. Sawyer said he

no longer wanted either job and would leave government service.

Armand Hammer, the millionaire businessman and art collector, has booked Washington's historic Ford's Theater, where President Lincoln was shot, for the Washington premiere Monday of his feature-length film documentary, "Backstage at the Kirov." The first look by a Western crew at the Kirov's inner workings, the film commemorates the 20th anniversary of the Leningrad ballet.

A Television Version  
Of Citizen's Arrest

In an effort to catch criminals, communities around the country are re-creating solved crimes, showing the dramatizations on television and offering viewers rewards for information. The creators of "Crime Stoppers," which is similar to programs in Europe, say about 39,000 felonies have been solved, \$148 million in stolen property and drugs have been recovered and 10,000 persons have been indicted since it first began in 1976.

In Houston, for example, news station KTRK-TV and the police department cooperate to videotape a re-enactment of the "crime of the week" and broadcast it several times a week. Newspaper and radio versions are made as well. Cash rewards, paid from private donations by businesses and individuals, are offered for information leading to arrests and indictments. Since it began three years ago the Houston program has paid \$423,700 in rewards, and citizen tips are credited with clearing up 2,581 serious crimes, including 56 murders.

New York City began a program in October, and it says information from viewers has helped solve 65 violent crimes, including 16 bank robberies committed by the same person.

Heroes for the '80s:  
Modest and Grateful

Five Americans expressed surprise and gratitude Thursday at being cited by President Reagan as "heroes for the '80s." But each tried to sidestep his accomplishments, some deflecting the honor by saying that they were only doing their jobs.

In interviews, the five all said they were delighted at being mentioned Wednesday night in the president's State of the Union address. All said they were supporters of the president, but several were moderately critical of some administration policies.

The five were: Sergeant Stephen G. Trujillo, an army medic cited for bravery in the invasion of Grenada; Dr. Charles Carson, whose legs are paralyzed, the founder of the Spinal Cord Society to help paralysis victims; the Rev. Bruce Ritter, a Roman Catholic priest who founded the Covenant House, an organization to aid young people in trouble in New York, Houston and Toronto; Carlos Perez, a Cuban refugee who turned \$27 and a dream into a successful importing business, Banana Services Inc., in Coral Gables, Florida; and Barbara Proctor, "who rose from a ghetto to build a multimillion-dollar advertising agency" in Chicago.



Justin Dart

"The Price" on Broadway, died of a stroke Saturday.

Mr. Dart appeared in more than 40 Broadway plays and 300 television productions. His TV appearances included the lead in the series "Captured." On Broadway, he appeared in "Arsenic and Old Lace," "Billion Dollar Baby," "Ilya Darling" and, opposite Mae West, in "Diamond Lil."

Other deaths: Gary Gabedich, 43, who held the world land speed record from 1970 until last year, in Los Angeles of injuries suffered when his motorcycle hit a truck Thursday at high speed, the police said. In 1970, he reached 622.407 mph (996 kph) in his rocket car on the Bonneville Salt Flats in Utah.

Moses Bessoso, a Palestinian poet and an adviser to Yasser Arafat, in a London hotel room, the police said Wednesday. A spokesman said there were "no suspicious circumstances." He was believed to be in his mid-50s.

Rosser Reeves, 73, who was the head of the Ted Bates & Co. advertising agency, of a heart attack Tuesday at his home in Chapel Hill, North Carolina.

## Mobsters Clash in the Sun as Canadians Divide Up Florida Turf

By Selwyn Raab

New York Times Service

HOLLYWOOD, Florida — Hundreds of Canadians active in organized crime have entrenched themselves in narcotics trafficking and other rackets in southern Florida, according to law enforcement officials.

Federal and state investigators said that in the last four years ranking members of two crime groups from Montreal, the Vincent Cotroni and the Dubois Brothers gangs, have moved extensively into Florida.

These groups now appear to be eager to battle their criminal counterparts in the United States for a segment of the local underworld profits, the investigators said.

"The Canadians are starting to get a little greedy," said Duane J. Lane, a special agent in the U.S. Customs Service who is attached to a Federal Organized Crime Strike Force in Miami. "They are making a lot of money, and the U.S. mobs want some of this."

Investigators said the Canadians had developed a multimillion-dollar drug network in which they sell about one million methamphetamine tablets a week in Florida and smuggle cocaine to Canada and parts of the northeastern United States.

Disputes between the Canadian and U.S. crime groups in the last two years have resulted in at least seven killings in Florida and Canada.

The emergence of the Canadians as a significant underworld force here also brought a "pizza war" in southern Florida in which 11 fast-food pizza restaurants were firebombed in two years.

Mr. Lane and other investigators who track the Canadian racketeers said they believed the Canadians had arranged the bombings to keep competitors from opening stores near the ones they controlled.

The Florida Department of Law Enforcement estimates that 400 to 600 members of the Cotroni and Dubois crime groups and their associates have moved to Hollywood and other communities near Miami in Dade and Broward counties.

Bruce T. Nill, an agent in the department, said the migration was spurred by economic uncertainty due to the Quebec independence movement and by a police crackdown in the 1970s against organized crime in Montreal.

"Because of the political instability in Quebec, a lot of legitimate Canadian investments started flowing down here," Mr. Nill said. "When the Canadian money came here, the mob guys followed the money to Hollywood and they have branched out into other things like narcotics, loan-sharking and automobile thefts."

Mr. Nill said that the Canadian underworld figures through "covers and dummy corporations" were buying hotels in the expectation that casino gambling might be authorized soon in southern Florida.

Because of the thriving Canadian tourist trade, camouflage for the racketeers as tourists or businessmen is easy. A 12-mile section of the coast in Dade County and just to the north in Broward County has long been a winter vacation retreat or retirement haven for hundreds of thousands of French-Canadian tourists.

Many of the hotels in a strip of Collins Avenue from North Miami Beach to Hollywood fly the Canadian flag. In the cafes and restaurants, the menus and the entertainment are in French. On the beaches and sidewalks, French is the predominant language.

The Miami area has been a winter play spot for U.S. gangsters since the 1920s when Al Capone built a mansion on Palm Island in Biscayne Bay. Although underworld deals are made in the area, especially in narcotics, none of the U.S. crime factions have carved out territorial claims. Miami was considered an "open city" where a mobster could relax safely.

The Canadians apparently are playing by different rules.

"They are establishing turf in places like Hollywood," said Lewis Wilson, another special agent with the Florida Department of Law Enforcement. "This is the first time an organized crime group has started grabbing territory, running hotels, restaurants, chop shops for stolen cars. And they're also into big-time narcotics."

Mr. Wilson said the acquisitions of hotels and

restaurants combined with the illegal activities by the Canadian mobsters have recently led to disputes with the Gambino, Lucchese and Genovese crime groups based in New York.

Mr. Nill said intelligence reports from informers and court-authorized wiretaps indicated that the Gambino group alone has sent 100 "muscle men" to the Miami area to counterbalance the Canadians in the event of more violence.

Canadians with criminal records can be barred from the United States. But investigators said the criminals have little difficulty entering as tourists with false identification and with the right to remain as long as six months.

Because south Florida is already deluged with illegal aliens, the investigators said it was unlikely that the mobsters would be traced by immigration authorities for overstaying their tourist permits.

"This is a great place for them to come, and it's not just the weather," Mr. Nill said. "The crime organizations provide safe harbors and criminal fellowship. After we pick up one mob guy, he told us the Miami area was a perfect place for one-stop shopping, where you can easily hide, get a new identity, a driver's license and guns."

In the last 18 months, six of the top 10 fugitives wanted in Canada have been arrested in Florida, Mr. Wilson said.

EPA Says Reagan Shifts  
His Acid-Rain Strategy

By Philip Shabecoff

New York Times Service

WASHINGTON — William D. Ruckelshaus, administrator of the Environmental Protection Agency, says that President Ronald Reagan's strategy for dealing with acid rain is a significant change in administration policy because it is "a clear admission we have a problem."

Mr. Ruckelshaus adds, however, that the president does not believe that there is enough information about the problem to warrant "a very expensive and potentially socially disruptive program" to control the sources of acid rain.

He said Thursday that the president's program, which calls for a doubling of funds for research on acid rain as well as programs to monitor lakes and develop techniques dealing with the problem, does not call for a program to reduce sources of the pollution "because the president is not persuaded we know enough to launch a major control program."

But members of Congress, environmentalists and other critics expressed deep disappointment in what they said was a do-nothing approach to a serious problem. The critics vowed to fight for a law to require sharp reductions in emissions of sulfur dioxide.

The studies have found that emissions of sulfur along with oxides of nitrogen from coal-fired power plants and factories are transformed chemically in the atmosphere and fall to earth as acidic rain, snow or solid particles. Such acid precipitation is now widely believed to be killing life in lakes and streams in the Northeast. Canada and other areas are also suspected of damaging crops, forests, buildings, and, possibly, of threatening human health.

The critics also said that the president's failure to endorse a controls program would be a political issue in the coming campaign.

The government of Canada, meanwhile, expressed "deep disappointment" in the president's decision and said that United States and Canadian scientists had developed "a virtual consensus that ac-

tion on emission controls and not simply further research should be undertaken now."

However, representatives of the utility and coal mining industries praised the president's decision.

William McCollam Jr., president of the Edison Electric Institute, a utility trade group, called Mr. Reagan's proposal "the only sound and sensible course of action."

Mr. McCollam said that sulfur emissions were already controlled by existing law to a large extent and that such emissions will continue to decline as electric utilities use advanced techniques for reducing emissions as they build new plants to replace old ones.

The environmentalists and other critics also said the president's statement in his State of the Union that the increase in the environmental agency's budget was among the highest granted to any U.S. agency was misleading. They said it was less than a 5-percent increase over the current budget, or just enough to compensate for anticipated inflation.

They also said that the increase in funding for the program to clean up toxic wastes was no more than Congress had already authorized for the program.

But Frederick N. Khedouri of the Office of Management and Budget said that the president would propose a \$1,209-billion operating budget for the environment agency for the year 1985 compared to \$1,114 billion in the current fiscal year. He said this was an increase of 8.5 percent and, as the president said, one of the largest increases of any agency.

Mr. Khedouri also said that the president is asking for a \$50 million to supplement the \$410 million appropriated for the toxic waste cleanup fund for the year and that the request for the fund for next year would be \$640 million.

Mr. Ruckelshaus said Thursday that he did not know when enough information would be accumulated to begin a program to reduce the sources of acid rain. He said there was no immediate emergency and there would be none even if nothing were done over the next 18 months or two years.

Report Says Watt Aide  
Divulged Coal-Bid Data

By Dale Russakoff

Washington Post Service

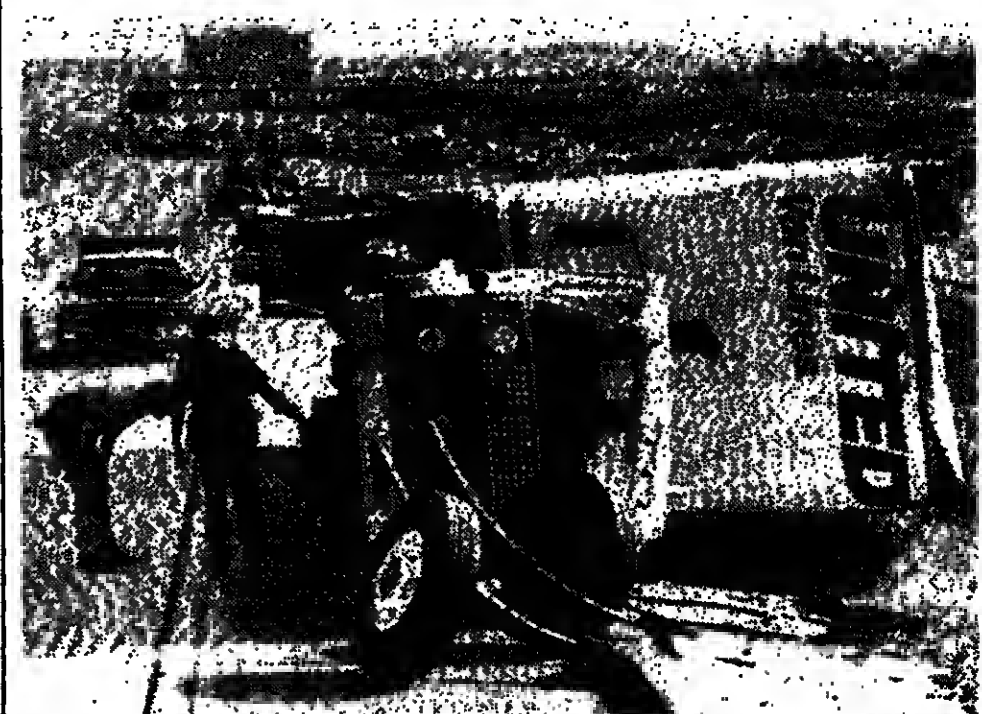
WASHINGTON — A high-ranking Interior Department official passed confidential data to a coal-company lawyer more than a month before the agency's disputed auction in April 1982 of more than one billion tons of federally owned coal in the Powder River Basin of Wyoming and Montana, according to sworn statements in an inspector general's report.

The Interior official, David C. Russell, who was recently dismissed by Secretary William P. Clark, told the lawyer the minimum amount that the agency would accept as a bid from his company on a large coal tract being put up for auction, the report said.

Mr. Russell is quoted in the report as denying that he passed the information to an attorney, Brent Kunz, of Cheyenne, Wyoming. Mr. Russell could not be reached for comment.

[The independent commission created by Congress to investigate the Interior Department's coal-leasing program will also investigate the charges against Mr. Russell, United Press International reported from Washington. The commission took the action after receiving the report from Representative Edward J. Markey, Democrat of Massachusetts.]

The report quotes Mr. Kunz, a lawyer for Texas Energy Services



WIND POWER — Highway patrolmen inspecting a moving van that was blown over by a gust of wind Thursday on a busy highway in southern California. At least three deaths were reported in high winds in the Los Angeles area, which also caused power blackouts and fanned a brush fire into a blaze that destroyed a house and damaged three others.

Japan Rivaling U.S. in Biotechnology  
Rich Commercial Future Seen for Gene-Splicing Field

By Harold M. Schmeck Jr.

New York Times Service

NEW YORK — The United States is in danger of being overtaken by Japan as the world leader in the commercial applications of gene-splicing research, according to a study prepared for Congress.

What the report calls the new biotechnology is based on gene-splicing and other new research techniques. The field has potential for the development of drugs and foods, other medical, agricultural and chemical products, and means for disposing of toxic wastes.

The United States leads in the basic biological research that has made the technology possible. But the report said a low level of federal support for applied research "may cause a bottleneck" in the country's commercialization efforts.

"Japan may very well attain a larger market share for biotechnology products than the United States because of its ability to rapidly apply results of basic research available from other countries,"

said the report from Congress's Office of Technology Assessment (OTA).

The report, "Commercial Biotechnology, an International Analysis," is considered the most comprehensive ever made on the new biotechnology and the growing international competition in its products.

"Even if the OTA is only approximately correct, we can anticipate a massive new economic entity to be measured in billions of dollars," said Representative Albert Gore Jr., chairman of the investigations subcommittee of the House Committee on Science and Technology.

Mr. Gore, a Tennessee Democrat, made the report public at a briefing Thursday in Washington.

The report emphasized that American pre-eminence in biological science does not guarantee future commercial leadership. The 612-page document analyzed the positions of the United States, Japan, West Germany, Britain, France and Switzerland. Japan was rated most likely to contest American leadership.

"The Japanese consider biotechnology to be the last major technological revolution of this century and the commercialization of biotechnology is accelerating over a broad range of industries, many of which have extensive bioprocessing experience," it said.

Bioprocessing includes industrial processes necessary to manufacture beer, antibiotics and many other biological products. The use of gene-splicing makes it possible to produce such products as human insulin and growth hormone in bacteria or yeasts. Bioprocessing is necessary to make efficient, large-scale cultures of these microbes to produce the new products.

"Japan does not have superior bioprocess technology," said the report, "but it does have relatively more industrial experience using old biotechnology, more established bioprocessing plants and more bioprocess engineers than the United States. Second, the Japanese government has targeted biotechnology as a key technology of the future."

The report emphasized that American pre-eminence in biological science does not guarantee future commercial leadership. The 612-page document analyzed the positions of the United States, Japan, West Germany, Britain, France and Switzerland. Japan was rated most likely to contest American leadership.

"The Japanese consider biotechnology to be the last major technological revolution of this century and the commercialization of biotechnology is accelerating over a broad range of industries, many of which have extensive bioprocessing experience," it said.

Under the reorganization, Mr.

Army, Rebels  
Battle in  
El Salvador

Reuters

SAN SALVADOR — Government troops and leftist guerrillas fought Friday in the area where a California woman was shot and killed Thursday, U.S. officials said.

As the embassy began collecting testimony from persons living near the scene of the killing, in the rebel-dominated eastern province of Morazan, U.S. spokesmen reported fighting in the area. They gave no details, but residents of Santa Rosa de Lima, 6 miles (10 kilometers) from fighting, reported hearing sporadic gunfire early Friday.

The embassy is investigating the killing of Linda Cangel, 23, who was shot in the chest while traveling in a converted bus toward Honduras with her common-law husband and two children.

Meanwhile, unidentified gunmen killed a rightist member of the Salvadoran parliament, police said. Mario Pohl, 39, of the extreme nationalist Republican Alliance (ARENA), was killed as he fled on foot after being shot at in his car outside his home. He was the third ARENA deputy killed by gunmen in the last two years.

The embassy said Miss Cangel and her husband, Curtis H. Lewenz, were planning to move to Costa Rica and crossed El Salvador's northern border from Guatemala on Wednesday.

When the bus was 18 miles (30 kilometers) from the Honduran border to the south, Mr. Lewenz was signaled to stop by a car following their vehicle and by two armed men on the road ahead, a spokesman said. Mr. Lewenz ignored them and accelerated. Shots from the surrounding hills pierced the bus and one struck Miss Cangel in the right chest, he said. The embassy has not said whether the shots came from government forces or guerrillas.

Unusual Activity  
By Russian Subs  
Detected Off U.S.

Washington Post Service

WASHINGTON — U.S. intelligence officials in recent days have detected unusual Soviet submarine activity in the Atlantic Ocean. Analysts said this may be connected to U.S. deployment of cruise and Pershing-2 nuclear missiles in Europe.

The Soviet Union normally keeps one or two Yankee ballistic missile submarines off each coast of the continental United States. In the past week, however, there have been as many as seven there, including two types not normally seen so far from the Soviet Union.

The presence of the submarines does not significantly improve the Soviet ability to reach U.S. targets with nuclear missiles. Instead, U.S. analysts say they believe that the Russians, having threatened to retaliate for deployment of U.S. missiles in Europe, are using the submarines to send a political message to the United States.

Within the past six days, two Delta-2 ballistic missile submarines have moved to about 1,000 miles off the U.S. coast. They have missiles with a range of more than 4,000 miles. A third Delta-2 appears headed in their direction.

Justin Dart,  
Confidant of  
Reagan, Dies

Los Angeles Times Service

LOS ANGELES — Justin Dart, 76, a Republican kingmaker who made his fortune in the drugstore business, died Thursday of a heart ailment.

Mr. Dart was one of the Republican Party's most aggressive fund-raisers. He was among a handful of wealthy Southern California businessmen who, two decades ago, persuaded Ronald Reagan to enter politics and then run for governor of California in 1966. The group became known as Mr. Reagan's California Kitchen Cabinet.

In a statement Thursday, Mr. Reagan said: "Justin Dart was an outstanding American and a close and dear personal friend. Nancy and I are deeply saddened and extend our most sincere sympathy."

Mr. Dart parlayed an early career as general manager of the Walgreen drugstores into Dart Industries. His first marriage was to Charles Walgreen's daughter. In 1980, Mr. Dart merged Dart Industries with the much larger Kraft Inc. to form the nation's 27th largest industrial company.

Mr. Dart was born in Evanston, Illinois, the son of a successful shirt salesman. He was educated at Northwestern University.

In his lifetime, he bought, sold and merged more than 50 companies, ending up with Dart-Kraft Inc. His personal worth was estimated at \$20 million to \$200 million.

Harold Gary, 77, Stage, TV Actor  
NEW YORK (AP) — Harold Gary, 77, whose acting career spanned 30 years and who won critical acclaim in Arthur Miller's

Reagan Lands  
In Emergency  
In Helicopter

New York Times Service

WASHINGTON — The sudden flashing of a warning light caused the pilot of a Sikorski military helicopter carrying President Ronald Reagan to make an emergency landing Thursday at Anacostia Naval Air Station.

Two minutes later, according to White House officials, the president was aboard a standby Marine helicopter that preceded without incident in ferrying the president from the White House to Andrews Air Force Base, where he boarded a plane for a flight to Atlanta.

"This was all right," the president was quoted as joking as he boarded the second helicopter. "I kicked the tires on it."

Larry M. Speakes, the president's spokesman, said there was no immediate explanation of whether there actually was an engine problem or if the warning light had malfunctioned.

Glenn Campaign  
Again Undergoes  
Reorganization

New York Times Service

WASHINGTON — Senator John Glenn, whose support in the campaign for the Democratic presidential nomination has been dropping sharply in public opinion polls, has announced the second major reorganization of his campaign in three months.

The major element of the reorganization is the removal of William R. White, a longtime aide to Mr. Glenn, as campaign manager. He is to be replaced by Gerald R. Vento, a former political organizer for Jimmy Carter, the former president, and currently the chief Glenn campaign official in Iowa.

The reorganization comes as the Ohio Democrat's standing in every major poll has dropped dramatically, a decline underscored this week by findings of a New York Times-CBS News Poll that show him tied for second place with the Rev. Jesse Jackson as the first choice of 14 percent of registered Democrats.

Under the reorganization, Mr.



John Glenn

Vento, as campaign manager, is to direct daily activities. Robert J. Keefe is to remain senior adviser to the campaign and Mr. White is to assume the new title of campaign chairman.

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## ARTS / LEISURE

## How Christie's Scooped Sotheby's in Getting the Gould Jewels

International Herald Tribune  
LONDON — Most of the world has now heard about the jewels of the late Florence J. Gould, which are to be auctioned by Christie's in New York on April 11.

## SOURIN MELIKIAN

On Jan. 21, three men rushed up to the first floor at Christie's London premises, where the jewels were being displayed, sent every body sprawling on the floor as they produced shotguns from their raincoats, smashed open two glass cases including the one in which the most prized item of the collection was supposed to be, and took off.

They removed one of a pair of diamond earrings by Harry Winston, valued at \$250,000 to \$300,000, and a square cut-diamond bracelet estimated at \$20,000 to \$25,000. They also grabbed a variety of jewels from other sources, running into several hundred thousand dollars, including a

diamond necklace made of 22 coils, beautifully cut, and an exquisite emerald and diamond necklace by Boucheron of Geneva.

Andrea Reynolds, a trainee at Phillip's auction house who had come with her boss, head of the Phillip's jewelry department, to view the exhibition, achieved momentary fame because she happened at the time to be holding a sapphire necklace valued at between \$1.5 million and \$2 million — the prize item in the Gould collection. She slipped it into the hand of Humphrey Butler, of Christie's jewelry department, who pocketed it.

However, the real story behind the scenes went unnoticed.

When Florence J. Gould, daughter-in-law of the U.S. railroad millionaire, died last February aged 87, she left an estate valued, Christie's said, at "many millions of dollars" — most of it to the Florence J. Gould Foundation, which was set up "to promote Franco-American

amity and understanding," as she put it in her will.

There was El Patio, her house in Cannes, the furniture, a collection of Barbizoo and Impressionist Masters and the jewelry. Peter Wilson, former chairman of Sotheby's and one of the auction world's foremost business-getters, who retired to the Riviera in 1980 (he now sits on Sotheby's board again) was almost a next-door neighbor.

It seemed probable that the game would be his once the executors, based in the United States, made up their minds to sell. The executors included two lawyers, John R. Young and William E. Hargarty of Cahill, Gordon & Reindel, and a bank, the United States Trust Company of New York.

Christie's, according to one source, moved on the day following Gould's death. Stephen Lash, senior vice president of Christie's trust and estates department, which keeps an eye on the market, contacted the executors. Lash tac-

fully suggested that they might like to get Christie's jewelry expert François Curjel to appraise the jewels.

Businessmen with no specialist knowledge of the auction market could only be favorably impressed with Curjel's record. The son of a French dealer in antique silver and jewelry, Curjel joined Christie's in 1969 and became vice president of the jewelry department when the firm opened in New York in the fall of 1976.

He staged their first sale in May 1977, which netted \$1.1 million. For the 1977-78 season, Christie's jewelry sales in New York totaled \$5.3 million. By 1981-82, they had reached \$18.7 million, on a par with Sotheby's \$18.9 million. In the 1982-83 season, the total was \$20.1 million.

Curjel is a careful man who pays attention to details. In the past 18 months, for example, he has been putting emphasis on such trivia as biographical footnotes concerning

20th-century jewelers whose signatures, familiar as they may be to the trade, mean nothing to the layman. Rather than mention "signed by Raymond C. Yard," he will note that Yard was a New York jeweler on Fifth Avenue in the 1920s and '30s. He can be shy to the point of ineptness but he manages to turn his handicap into an advantage — private customers feel safe with an expert who does not play up to them.

Curjel is beginning to have a reputation for being sound and straightforward like Christie's Hans Nadelhoffer, the Swiss expert who has been a key participant in the success of the firm's jewelry sales. And Curjel, better than most, knows how not to convey the impression he is talking down to his audience.

All of which has helped him reach the private clientele on a large scale — trade goods reported by account for less than 20 percent of Christie's New York sales. Did

that weigh in the executors' decision?

Within four days of Gould's death, Curjel had a call from executor Young, who said that Lash had offered Curjel's services to him and his fellow executors for the appraisal. Would he go to Cannes at his earliest convenience? With Nadelhoffer, who had left Christie's at that time, Curjel appraised the jewels in a bank in Juan-les-Pins. They gave an estimate of \$4.5 to \$5.5 million — it now stands at \$7 million — and left. Nothing more happened for weeks.

Christie's decision-makers knew that Sotheby's people, including their top expert Graham Llewellyn, universally respected for his professional skills, had seen the collection. They decided to move. In a detailed offer sent to the executors, they specified the kind of sale they envisaged — from the estimated prices for every item, carefully described, to traveling exhibitions, complete with dates, locations and all matters relating to the terms of trade.

They suggested a sale in Geneva or in New York, stressing that New York would be preferable given such a glamorous sale as the name Gould. The executors objected that there would be a 9.9 percent duty payable on any goods dating back less than 100 years and imported by U.S. citizens into the United States.

Christie's experts, after some frantic research, found a law allowing the executor of the estate of a deceased person who resided abroad to import into the United States all the personal belongings duty-free. The executors were impressed. Early in May, after two months' silence, they called in Christie's U.S. president, David Bathurst, Curjel and Lash, and confirmed their intention to let Christie's handle the jewelry sale. Why?

Sotheby's people were under tremendous psychological pressure all the way through. They were operating in a vacuum at a time when they were desperate to deter Stephen

Swaid and Marshall Cogan from proceeding with their takeover bid. The key figure at Sotheby's side was Llewellyn, one of the great experts in his field but, as Sotheby's group chief executive, in the eye of Sotheby's shareholders. Neither he nor Sotheby's best negotiators were able to concentrate all their energy on the matter — a must in such hotly disputed contests.

To outsiders watching Sotheby's at this difficult time, as Gould's executors were — hence, presumably, the long delay in making their decision — the firm's image had deteriorated. No businessman would willingly concede that he decided against the firm because it had given up its Madison Avenue location a few months before. But certain names and addresses elude. York Avenue at 72nd Street, Sotheby's new location (which has since proved to work) did not. And, after all, glamour matters when you sell stones that, unlike paintings or furniture, can only be bought by glamorous people.

## Van Buren Table Sold

An early 19th-century "accordeon" table once owned by U.S. President Martin Van Buren brought \$137,000 at an auction of American furniture conducted by Christie's, the Associated Press reported from New York.

## Expert Blames Alcohol For Many Ski Accidents

KLAGENFURT, Austria — Drunken skiers are to blame for up to 40 percent of ski accidents in Austria, a forensic expert said. The problem is particularly acute during holidays or festivals, when 80 percent of skiers are under the influence of alcohol, if not drunk. Dr. Richard Dirmhofer told an international skiing conference in Klagenfurt Thursday.

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Detail of Bacon's "Study of a Human Body" (1983).

## Bacon's Grim Sensibility

By Michael Gibson

International Herald Tribune

PARIS — There is a very modern sort of cruelty in the art of Francis Bacon, no doubt the most potent painter working today. His somber and despairing theme is in key with a certain grim sensibility of our century. What other age could have sensed the painful significance of these mutilated anatomies displayed on dubious pedestals or enclosed within the arbitrary geometry of a glass and metal showcase?

Bacon's current show is dominated by a number of large paintings, including two triptychs. One of these presents three dreadful anatomies, limbs knit into tant attitudes, the head half eaten away, each attended by an implausible, quasi-detached shadow, and enshrouded in an intensely warm red space framed in heavy gold. The other, more ominous still, refers to the Orestia — Aeschylus's tragic trilogy, in which murder generates more murder and revenge more revenge — and shows anatomies that are even vaguer and more radically mutilated.

There is an intensity in such works that provokes questions: Why do such icons seem appropriate today? Does their horror bring a form of catharsis, and if so, why? How does the pure delight of a necessary brushstroke coexist with the desperate statement it conveys?

The connection appears to reside in the artist's creative act, which brings together the grimness of a vision and the deep drive to absorb and transform it. If we were attentive only to the content and not to the artist's devotion to the intimate drive that commands him to produce with whatever is available, then we would only see half of this achievement of awful beauty.

"Francis Bacon," Maeght Lelong Gallery, 13 Rue de Téhéran, Paris 8, to Feb. 25.

An amusing exhibition in Balzac's house in Passy offers a collection of 220 drawings by French writers. There are narrative cartoons by Alfred de Musset, some portrait sketches by Charles Baudelaire, doodles by Balzac, Gothic visions by Victor Hugo, competent landscapes by Prosper Mérimée, a

large collection of drawings and watercolors by George Sand and items by Rimbaud, Verlaine, Jules Laforgue, Stéphane Mallarmé, Gérard de Nerval, Guy de Maupassant and many others. The value of much of this work is that it shows some of these writers and poets in a lighter and more playful mood.

Some talents are rather unexpected. Eugene Fromentin turns out to have a solid if unimaginative academic form. George Sand, who drew with astonishing ease, seems to have invented a technique that was to be used much later by Max Ernst and consists in producing watercolor to paper, laying another sheet of paper on top of it and then lifting it off. Sand, like Ernst, uses this technique to produce imaginary landscapes.

"Dessins d'Ecrivains du XIXe Siècle," 47 Rue Raynouard, Paris 16, to Feb. 26.

What connection can there be between Saint Sebastian, a martyr who was shot full of arrows by his fellow soldiers because he was a Christian, and the several plagues that swept through Europe over the centuries? The answer appears in a picturesque exhibition at the Musée des Arts et Traditions Populaires that attempts to give some thing of an anthropologist's view of the worship of saints in the French provinces.

"As it turns out, the connection arises out of a poetic association of ideas: 'the plague,' 'eye,' 'arrow.' Flower, seems to strike men down at random, like arrows shot from heaven — the simile is, I believe, in the Iliad. And who could be better placed to protect one from this danger but a man who had been martyred precisely by a rain of arrows and yet now lived on in another world?

So the show is devoted to various aspects of the cult of Saint Sebastian, the holy images found in churches, various local ceremonies usually associated with companies of archers, and the history of the plague in Europe.

"St. Sébastien, Rituels et Figures," Musée des Arts et Traditions Populaires, 6 Avenue du Mahatma Gandhi, Bois de Boulogne, to April 16.

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## His Opera

The opera world is in a state of excitement over the production of "The Barber of Seville" at the Metropolitan Opera House. The production is directed by James Levine and features a stellar cast of singers. The opera is a comedy in three acts by Gioacchino Rossini. It tells the story of a barber who helps a young man escape from prison and win the heart of a girl.

The production is a masterpiece of staging and singing. The cast includes the famous soprano, Maria Callas, who plays the role of the girl. The production is a must-see for opera lovers. It is a true work of art.

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# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Argentina and Chile

Good for Argentina and Chile for charting a new course through the choppy waters of the Beagle Channel. After quarreling for a century over three rocky islands lodged in a strategic waterway connecting the Atlantic and Pacific oceans at the continent's tip, they have now accepted a Vatican proposal to commit themselves to a peaceful resolution of the issues: whose flag flies over the islands, and whether the oil and fish in the strait should be shared.

It will take more than a blessing to make this agreement stick. Pope John Paul II failed in a previous mediation effort, in 1981, when Argentina's military rulers rejected a detailed proposal for "a sea of peace." They then pressed their claim for full Argentine sovereignty with at least implicit threats of force.

That, of course, was before the Falkland fiasco. But some Argentine nationalists are again denouncing negotiation as "treasonous," contending that Chile has no rights to islands that it usurped. It is therefore courageous for Argentina's new president, Raúl Alfonsín, to move toward compromise.

And courageous he is, in many matters. Mr. Alfonsín has already moved to hold Argentina's generals accountable for human rights outrages during their "dirty war" against ter-

rorism. Just as boldly, he is demanding democratic elections in trade unions ruled by Peronist bosses. He seems to understand that a Beagle Channel bargain that yields up the islands but assures Argentina's access to resources in the surrounding waters would well serve his nation's interests, end a demoralizing quarrel and promote amity in the Americas.

The hemisphere's list of territorial disputes is lamentably long. Venezuela claims a third of Guyana. Peru and Ecuador quarrel over Amazonian jungle. Guatemala claims Belize. Honduras and El Salvador dispute their frontier. And Argentina still says the Falklands are really its Malvinas. The prize in a Beagle settlement would be the example of constructive territorial diplomacy.

A beginning has been made in the matter of the Falklands. Margaret Thatcher and Mr. Alfonsín have exchanged civil messages, and Britain has shown good faith by helping a near-bankrupt Argentina refinance its debts. But while renouncing force, Argentina will not proclaim a cessation of hostilities until Britain agrees to negotiate on sovereignty. Finding a way out of that deadlock would truly promise a South Atlantic sea of peace.

—THE NEW YORK TIMES.

## The Democrats' Reply

It is not an easy act to follow: the president making his State of the Union address when the economic indicators are up and dissatisfaction with foreign policy is limited. The Democrats' televised response, partly prepared ahead of time and partly live, was called slick by some. If the segments seemed contrived, so is any political performance, including the president's speech. For all their preparation, the Democrats could not avoid being embarrassed when Mr. Reagan proposed a deal to negotiate the very deficits that the Democrats were complaining so much about.

The important question is what the Democrats told about how they would govern and will campaign. They sounded, most notably in Speaker O'Neill's summation, the theme of "fairness and compassion and concern." They charged the Reagan administration with over-emphasizing the military buildup and being overly confrontational in foreign policy. They zeroed in on several weaknesses in Mr. Reagan's record: the deficits, his eagerness to cut education spending, his sometimes scandalous record on the environment. By showing the Cortezes of Texas, the Wileys of New Hampshire, the Hugheses of Kentucky, the Democrats suggested how government decisions affect the lives of ordinary people.

But they were unable to present an attractive general theme to contrast with the president's lofty optimism about the future.

As the incumbent, President Reagan is in

the perfect position to identify his own fortune with the nation's. As the out party, the Democrats are always in danger of seeming to root against America. Warning that upward economic trends might not continue, pointing to the continuing problems of minorities and women, dwelling on Governor Michael Dukakis of Massachusetts did in his peroration, on the funeral of a marine killed in Lebanon—in each of those cases the Democrats risked being seen as crossing the line between prudent criticism and doom-mongering.

They also left largely unanswered, as non-incumbent campaigners usually do, the uncomfortable question of how they would actually govern. Yes, they would raise domestic spending and cut defense spending somewhat. But what is their strategy for eliminating those awful deficits? What macroeconomic policies do they have to produce the permanent growth and prosperity they say we're not assured of now? Governor Dukakis said he feared that current policies would "put us right back where we were in 1982." He and the other Democrats sound pretty much the way they did in 1982, when the election coincided with the trough of the recession. But do they think the same themes will work again this year?

Democrats criticize the president for not having a realistic vision of the future. But their useful and often interesting broadcast suggests they haven't fully developed one themselves.

—THE WASHINGTON POST.

## Other Opinion

### What Do Soviet Citizens Feel?

What do Soviet citizens generally feel about the fearsome concentration of power they live under? There's no way of knowing, of course, since there is not an opinion-poll-type culture. My impression is that many of them, and quite possibly most of them, approve of the Soviet system, precisely because it provides this fearsome concentration of power.

They want their State to inspire fear in foreigners first of all. Their terrible past, and especially their recent past, suggests to them that if their State fails to inspire fear in foreigners, their land will be overrun.

But it is not just for its function of frightening foreigners that Soviet citizens (I think) approve of the power concentrated in the Kremlin. They approve of it also because it tightens themselves. They want a government that is at least faintly frightening, because they are even more frightened of the possible consequences, internal and external, of having a government that failed to frighten. The whole vast empire might fall apart, in a welter of factions, national rivalries, anarchy, civil war and foreign intervention—as happened to the old Empire of the Tsars after World War I.

—Conor Cruise O'Brien, writing in *The Observer* (London).

### Reagan: Not Quite Perfection

In briefing reporters on the [State of the Union] address, an aide said it was recommended that President Reagan quote from the inaugural of James Monroe as follows: "In contemplating what we have still to perform, the heart of every citizen must expand with joy when he reflects how near our government has approached to perfection; that in respect to it, we have no essential improvement to make." The citation was rejected "on the grounds it is

too static, too modest," the aide said. "We have a more dynamic approach. We believe there is more that can and should be done, and as you'll see with quotations at the end of the speech, the president is hardly satisfied with an America that would be satisfied with an America."

—Helen Thomas (UPI).

In previous addresses, Mr. Reagan's tone has been confrontational with regard to the Soviet Union. This year he was conciliatory, saying the United States would establish a more stable foundation for peaceful ties with Moscow, which is to be welcomed. Regrettably, the address fell short of presenting actual steps to mend the bilateral relationship.

—The Daily Yomiuri (Tokyo).

### About Quotas and Civil Rights

By urging that numerical quotas be dropped from the country's fight for equal opportunity, the U.S. Commission on Civil Rights has acted bravely. But at the same time it has also staked out for itself the task of finding an equitable method of achieving what quotas did not.

—The Waterbury (Connecticut) Republican.

The reconstituted U.S. Commission on Civil Rights has denounced quotas as "unjustified discrimination" that create "a new class of victims." But for women and minorities in a time of economic hardship—and despite a temporary recovery for some sectors and some classes, this is still a period of extremely high unemployment—the usual pattern is last hired, first fired. In order that the gains of the past few years not be lost, groups that have been discriminated against need protection. Fairness demands that the group that for hundreds of years received preferential treatment now take its turn at suffering.

—The Daily Iowan (Iowa City).

## Why Ronald Reagan Should Run Again

By David S. Broder

WASHINGTON — Ronald Reagan is right to run for reelection. He has done some of what he came to Washington to do, but not all of it. What he has done is sufficient for the voters to judge it. What he proposes to do is clear enough so that they can say whether they want more or not.

He is the best defender of his record, and the clearest and most persuasive advocate of his plans.

In personal terms, President Reagan would have been justified in choosing retirement to his California ranch at the end of this term. The Republican Party would not have criticized that decision, and there was no risk that it would nominate anyone who would repudiate his record or his leadership.

But Mr. Reagan and his policies are the central issues in this election, and it is right that he be personally engaged in the campaign where that judgment is made.

I do not think it is going to be easy for America to decide if it wants four more years of Reagan and Reaganism. The strengths and the weaknesses of Mr. Reagan and his record are closely interlocked.

At the level of personal leadership, for example, there is no doubt that he has brought strength and vitality to an office that had begun to appear distinctly diminished. Even a Democrat of Clark Clifford's standing has remarked that Mr. Reagan restored his belief in the "workability" of the presidential system of government.

Mr. Reagan has achieved that distinction by identifying clearly his principal objectives, and by working steadfastly to obtain them. He

has not been distracted by other causes, nor has he been deflected by objections to the wisdom of the course on which he set himself.

Those who work closely with him say that they have never seen Mr. Reagan more confident of the rightness of his own instincts than today. That confidence is perhaps the secret of his personal leadership.

The converse is that Mr. Reagan remains today, as he was when he came to the presidency, indelibly resistant to the challenge of serious policy analysis. He says, I think sincerely, that arms control is his greatest dream for the years ahead. But no one in his administration even pretends that he has tried to educate himself on the intricacies of disarmament strategy. After three years in office, his public pronouncements on the subject are still at the level of a primer.

What is true of arms control is true of defense procurement, environmental regulation, tax policy, welfare assistance and large areas of foreign policy. In the major areas of government policy Mr. Reagan is a man still dealing with a 3-by-5 card's worth of substantive analysis.

That makes him terribly dependent on others' judgments. And the quality of those people, the voters have come to understand, varies enormously. The senior White House staff, the cabinet and sub-cabinet and the agency heads are a strange mixture of excellent appointees and virtually incompetent. All seem equally satisfying by the flexible standard Mr. Reagan has set.

What is true of his government is true of his record. The victory over inflation has been a blessing to the nation, removing both an economic scourge and a psychological burden

from people's lives. But the cost that victory has been terribly high. While President Reagan brags about recovery, a million more people are out of work than when he took office three years ago this month. Business failures have more than doubled, and \$302 billion has been added to the national debt.

He has slowed the growth of domestic government, but he has exerted no fiscal discipline on the equally wasteful bureaucracy of the Pentagon. He has adjusted tax rates that were made punitive by inflation, but he has done so in a way that unarguably has magnified inequality in the population and added to the poverty rolls.

He has restored a sense of national pride and patriotism, but he has left minorities and women, who believed they were beginning to share in the nation's honors and blessings, feeling once again that the deck is stacked against them.

He has asserted America's power in the world, but at the cost of heightened tensions with the Soviet Union and the loss of 278 U.S. servicemen's lives in Lebanon, Latin America and the Caribbean.

Mr. Reagan has made an enormous difference in all these fields. Given his determination and his political skills, there is no doubt in anyone's mind that a second term would produce even larger changes—plus the added opportunity to put a Reagan stamp on the Supreme Court, the judiciary, the bureaucracy, Congress and the Republican Party. That is why it is right that he runs again. There will be no mistaking the verdict.

The Washington Post.

### The Contrarian Bet Seems to Be Lost

CONTRARIANS are people who bet the other way. On Wall Street, they watch the small investor and take the opposite course. Political contrarians do that, too; when we bet a long shot and are wrong, nobody notices, but when we're right we make a killing. Will President Reagan stum the world and decline to run? Contrarians have been saying that there is one chance in four that he will surprise.

However, his campaign committee has spent \$400,000 on air time for an announcement Sunday; the text will be distributed in advance; 200 Republican bigwigs will be assembled for the celebration. You don't do that to say no unless you take a fateful leap in disappointing your troops.

The contrarian bet appears to be lost.

Never say die. The next contrarian square-off is against the Democratic "inevitability factor"—the widespread, poll-fed assumption that Walter Mondale will be the man to face Ronald Reagan in the fall. Now is the time for contrarians to bet on John Glenn stock.

—William Safire in *The New York Times*.

## About the U.S. Trade Deficit and How Not to Fix It

By Robert J. Samuelson

WASHINGTON — One of America's nightmares is that all its manufacturing jobs are headed overseas. It is said that technology is mobile and foreign wages are lower, so why would anyone stay in America? The fear is not unfounded. In the 1983 trade figures showing a record deficit of \$69.4 billion.

The number is staggering, but the fears are exaggerated. Although many industries suffer from foreign competition, the imagined mass migration of jobs is farfetched. When foreigners accept dollars for their exports, they do so because they can buy something for the dollars. If the United States had nothing to sell, there would be few imports.

A trade deficit says only that U.S. imports exceeded exports. It does not mean, as some will argue, that employment would have been higher if the deficit had been lower or that U.S. technology is in eclipse. The huge growth of 4 million jobs over the past year matters the presumed connection between trade surpluses and high employment; the last trade surplus occurred in 1975 when unemployment averaged 8.5 percent.

Today's trade deficits are best understood as a consequence of the most profound deflation—meaning a squeezing of inflation—in the past quarter century. To a large extent this deflation was a global phenomenon, started by the United States in late 1979 and transmitted to the rest of the world through high interest rates and shifting exchange rates.

What resulted was worldwide recession, declining trade, dropping prices for oil and other raw commodities, and an international debt crisis.

Facing high interest rates and lower prices for commodity exports, developing countries could not pay their debts. At the same time, exchange rates changed. In 1980 the Deutsche mark was worth more than 50 cents; today it has sunk to about 35 cents. Against all major currencies, the dollar has risen more than 30 percent.

Unfortunately, the dollar's value cannot be predicted or controlled easily. Much of the rise since 1980 has little to do with trade. High U.S. interest rates and a belief in U.S. political stability have apparently lured overseas investment.

So the American trade balance has suffered. Developing countries, which buy two-fifths of U.S. exports, reduced their purchases sharply. The rise of the dollar meant that U.S. goods became less competitive against foreign products. Foreign firms' costs are in their local currencies; when the dollar rose, those costs translated into fewer dollars.

Examined in isolation, the deterioration of America's trade balance has hurt income and employment in trade-dependent sectors. Farmers suffered because prices and exports slumped. Basic industries—machinery, automobiles, steel—lost sales and, equally important, were forced to restrain prices to keep customers.

And there's the rub. The rising dollar also punishes inflation.

Competition keeps prices down; demand for dollar-denominated commodities—from oil to bananas—falls and so do their prices. Economists estimate that every 10 percent rise of the dollar reduces U.S. price

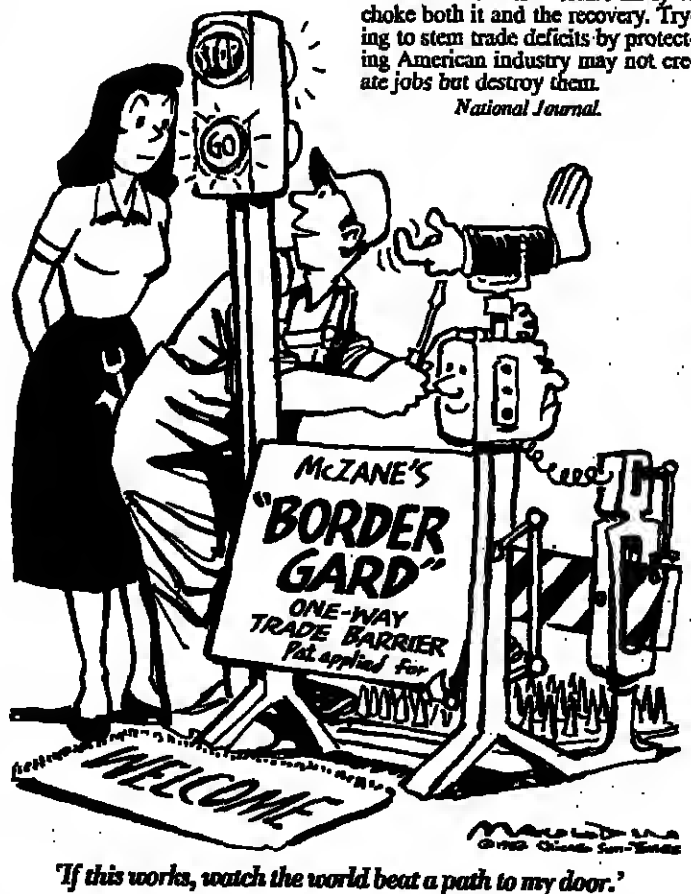
the supply and demand for various currencies. When someone sells a currency to buy dollars, the dollar tends to rise. It doesn't matter whether the dollars are used to buy U.S. exports or dollar securities. So far the flow of money into dollar investments has propped up the dollar; but growing trade deficits (causing exporters to sell dollars for their own currencies) could depress it.

There are dangers and opportunities. To some extent, a dollar slide would restore the price competitiveness of U.S. industry. Production costs of foreign producers (when expressed in dollars) would increase; foreign firms would have to raise prices or cut profits. Imports would become a little less attractive, exports a little more attractive.

But at the same time the restraints that check U.S. prices would lighten. The danger is that, as an election year reaction to the trade deficits, Congress or the Reagan administration will loosen the restraints by adopting protectionist measures. Workers and firms would have even more latitude to raise prices and wages. Coming during a recovery, when price pressures increase anyway, these developments risk intensified inflation. Already the auto and textile industries have received additional protection; the shoe and steel industries now want more.

So the nightmare of the trade deficit defies conventional wisdom. In part the recovery is hostage to future inflation. If inflation rises too much, the Federal Reserve seems likely to choke both it and the recovery. Trying to stem trade deficits by protecting American industry may not create jobs but destroy them.

National Journal.



"If this works, watch the world beat a path to my door."

## The Social Merit of Quotas Where Merit Is Debatable

By William Raspberry

WASHINGTON — The new and not necessarily improved U.S. Commission on Civil Rights is troubled by the concept of quotas. So am I. And so, I suspect, is nearly everybody. I find it difficult to imagine any American not at least wishing that there was no necessity for quotas.

Everybody's ideal is that all of us be judged on our individual merit when it comes to jobs, promotions, graduate school seats and the other goodies of life. What we are arguing about—and rather heatedly these days—is the best way to move toward that ideal: By trying to create it directly, or by proceeding as though it already existed.

Civil rights leaders take the first path. Racism and sexism are so thoroughly built into society, they say, that only through a color-conscious, numbers-based process can we hope to reach the point at which color-blindness becomes workable.

The Civil Rights Commission takes the other route, saying the way to accomplish individual fairness is to practice individual fairness. Merit—not quotas, numerical targets or efforts to redress group grievances—is the way.

The problem with the first approach is that when the numbers are translated into quotas the cure looks a good deal like the disease: racial (or gender) discrimination. The problem with the second approach is that it assumes that in most real-world cases merit is a concrete, quantifiable thing; that it is possible to rank people in precise order of their merit.

Sometimes it is. If you are organizing a track team, there is a reliable way to find who has the most merit as a sprinter or a high jumper. You let them run and jump and see who does it best. The trouble comes when proxies are substituted for the direct measurement of merit: a written test to determine the best mail carrier or firefighter or voucher examiner.

It is the second sort of test that, for reasons not fully known, tends to trip minority applicants. Try choosing members of your basketball team on the basis of test scores in such job-related areas as basketball history or tactics and you might wind up with George Will playing center while Moses Malone watches from the stands.

But, it might be argued, that only suggests that we sometimes use inappropriate ways to measure merit. Shouldn't merit still be the basis for our choices?

Theoretically, yes. Practically, it seldom is. For most of the coveted jobs there simply is no way to select a "best" applicant. You simply cannot say which patrolman will make the "best" sergeant on the Detroit police force; you cannot even say which existing sergeant is the best. It depends.

And one of the things that depends on is impact on representation, the appearance of fairness. To take a personal example, I am a member of the Pulitzer Prize Board, a group of 16 journalists, newspaper executives and academicians.

Was I chosen, at least in significant part, because I am black? Of course I was. So was Hannah Gray, president of the University of Chicago, named to the Pulitzer group in part because she is a woman. Sandra Day O'Connor and Thurgood Marshall sit on the U.S. Supreme Court in part because she is female and he is black.

Does that constitute discrimination against white males not chosen for these posts? Of course not. Does the appointment of these particular people, all of them demonstrably competent, accomplish something worthwhile? It does.

It is important that institutions, including work places, reflect the society. Are the people thus selected the best-qualified of all those who might like to give? The question simply can't be answered.

The Washington Post.

## Latin Debt: A New Crisis Is Brewing

By Sally A. Shelton and Richard Nuccio

WASHINGTON — A new debt crisis is brewing today in Latin America. As 1982 was the year of the Mexican debt crisis and 1983 the year of the Brazilian debt crisis, 1984 is the first year of a more serious Latin American debt and political crisis.

This year's crisis will develop because, not in spite of, the conclusion of IMF agreements by the major debtor countries, because, not in spite of, the renegotiations of their debt, and because of not in spite of, the difficult transition to democracy in several Latin American countries.

The dilemma is how to reconcile the stiff austerity programs required by the IMF with rising popular demands for relief from negative economic growth and widespread distress. The austerity programs have had high social costs: double-digit unemployment, reduced public spending and an absolute decline in per capita income in countries with virtually no social safety net.

The harsh adjustments required by the IMF and foreign bankers have hit all social classes and called into question the ability of even the new democratic regimes to avoid "pressures for extremist solutions."

Western-trained economic managers in financial ministries throughout the hemisphere are trying to resist calls for less orthodox policies from those who have been hit hardest by the financial crunch: urban workers, the lower-middle class, government employees, small businesses and even the newly emerging middle classes, which are already slipping backward down the social and economic scale.

From the point of view of these groups, the banks, the IMF and the multinational corporations bear a good share of responsibility for the crisis. These people also remember the United States, with its high interest rates, protectionist trade patterns and big deficits—for its apparent lack of concern. They have been hit hard by new U.S. legislation to discourage banks from lending overseas just when new money—\$60 billion—is desperately needed to service loans and provide new productive investment. There is virtually no new bank lending, and the multinationals are reluctant to expand investment at a time of recession and uncertainty.

Some Latin Americans are increasingly bitter about those supposedly responsible for the debt crunch: They are reluctant to repay their debts on what they see as inequitable terms, and are loath to make the business concessions necessary to attract new foreign investment. This line of thought is still seen as extreme, but it is becoming more common and may pose a challenge to governments that are trying to work their way out of the debt crisis in a responsible way.

The pragmatic Latin governments being elected today recognize the need for structural adjustments in their economies and are beginning to create a business environment that can attract new investment. They cannot, however, manage to remain democratic and austere without help from the industrial countries—particularly the United States.

How can Washington encourage Latin American governments to carry out these tough economic reforms? First, it should support Paul A. Volcker, chairman of the Federal Reserve, when he encourages the banks to soften loan conditions and cautiously increase new lending. Washington should relax rather than tighten controls over the banks.

Second, it should encourage the IMF to relax its stringent loan requirements, taking more account of the human costs of its programs. Third, it should cut the federal deficit and lower interest rates.

Fourth, and most difficult in an election year, it should establish a one-way free trade zone for all Latin America. This would remain in effect for a limited time while Latin American governments began to put their economies in order and nurse their fledgling democracies to adulthood.

Finally, it should consider a commodity stabilization program. Economic deterioration can become a fertile breeding ground for extremists of many shades, including radical nationalists, demagogic and anti-U.S. militants. To encourage the survival of the new pragmatic leadership in Latin America should be the primary goal of U.S. policy.

Sally A. Shelton, U.S. ambassador in the Caribbean from 1979 to 1981, is vice president of International Business-Government, which analyzes country risks for investors. Richard Nuccio is a program associate at the Woodrow Wilson International Center for Scholars. They contributed this comment to *The New York Times*.

## LETTERS TO THE EDITOR

### Freedom and the Unfree

Regarding "America Cannot Afford Thought Control" (H/T, Jan. 26) by Barbara Tuchman:

Dr. Tuchman's thesis is honorable and, indeed, not arguable, but her supporting example most certainly is arguable. If freedom of speech and press were responsible for the cutoff of funds that ended the Vietnam War, they were also responsible for the end of freedom in Vietnam, Laos and Cambodia, for the horrors of the boat people and for the present miseries of the Indochinese peninsula.

JOHN COLVIN, Hong Kong.

### WHO and a Drug Code

Regarding "U.S. Opposes WHO's Efforts On Drug Marketing Code" (H/T, Jan. 23) by Ian Guest:

Although remarks attributed to me in the report are correct, they have

been placed in a curious context. The lead sentence implies that WHO is suggesting a marketing code for pharmaceuticals. The opposite is the case.

A suggestion for such a code, first presented at the Jan. 20 session, was not supported by WHO's executive board, and was later withdrawn by the sponsoring member. I understand that WHO's director general, Dr. Halldan Mahler, has no intention of undertaking such a code. It is not the United States alone, but WHO and other interested members of its executive board which believe that such a code would be counterproductive to the main effort: getting essential drugs to the developing countries.

As I pointed out at the WHO executive board meeting and also to Mr. Guest, the success of this very important WHO program on essential drugs depends to a very large extent on successful collaboration with the manufacturers of pharmaceuticals. Rather than a strained relation-

ship, as the report suggests, we are seeing some very important beginnings of active collaboration with individual companies that have embarked on bold and innovative programs to establish models for cooperation with developing countries.

To its credit, WHO is currently making a major effort to get essential drugs to the poorest of the world's people, and the United States fully supports that initiative.

NEIL A. BOYER, U.S. Delegate to WHO, Geneva.

Letters intended for publication should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

FROM OUR JAN. 28 PAGES, 75 AND 50 YEARS AGO

### 1909: Chinese Mission in London

LONDON — The Chinese mission headed by Tang Shao-Yi and Prince Tsai-Fu arrived in London [on Jan. 27]. It is expected that the mission will remain in Europe three or four months. In an interview Tang Shao-Yi explained, according to the "Westminster Gazette," that the object of the mission to Europe was to study financial methods and conditions of England, France, Germany and probably other countries. He denied the report that while in America he endeavored to arrange an alliance with the United States. He declared that such a matter never entered his thoughts. He also said it was not true that he tried to raise a big loan for his government in America.

### 1934: Chantemps Cabinet Resigns

PARIS — After braving the ire of public opinion, exasperated by revelations in the *Stavisky* affair, the French cabinet, headed by Camille Chantemps, resigned [on Jan. 27], as the gathering storm threatened to break into violence. One has to go back to the Dreyfus affair and the Panama scandal at the beginning of this century to find a parallel to this extra-parliamentary crisis, which occurred to the accompaniment of street disturbances in the heart of Paris. A crowd of 100,000 applauded the havoc wrought by rioters in the vicinity of the Opera. Café conversations turned on the Chantemps cabinet's alleged repeated attempts to crush a full inquiry.

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MONDAY-SUNDAY, JAN. 29, 1984

ECONOMY

By AXEL

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Some leaders of Western  
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tion are already considered  
unrealistic and an underdeve  
loped policy and its details  
are being discussed, includ  
ing pictures, shipping, etc.

From the point of view of these groups, the banks, the IMF and the multinational corporations bear a good share of responsibility for the crisis. These people also remember the United States, with its high interest rates, protectionist trade patterns and big deficits—for







NYSE Most Actives									
Vol.	High	Low	Close	Chg.	Vol.	High	Low	Close	Chg.
ATT	1,270	27 1/2	27 1/2	+1/4	IBM	1,270	27 1/2	27 1/2	+1/4
IBM	1,270	27 1/2	27 1/2	+1/4	IBM	1,270	27 1/2	27 1/2	+1/4
IBM	1,270	27 1/2	27 1/2	+1/4	IBM	1,270	27 1/2	27 1/2	+1/4
IBM	1,270	27 1/2	27 1/2	+1/4	IBM	1,270	27 1/2	27 1/2	+1/4

Dow Jones Averages									
Index	High	Low	Close	Chg.	Index	High	Low	Close	Chg.
Indus	1,270	27 1/2	27 1/2	+1/4	Indus	1,270	27 1/2	27 1/2	+1/4
Transp	1,270	27 1/2	27 1/2	+1/4	Transp	1,270	27 1/2	27 1/2	+1/4
Comp	1,270	27 1/2	27 1/2	+1/4	Comp	1,270	27 1/2	27 1/2	+1/4

NYSE Index									
Index	High	Low	Close	Chg.	Index	High	Low	Close	Chg.
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Transp	1,270	27 1/2	27 1/2	+1/4	Transp	1,270	27 1/2	27 1/2	+1/4
Comp	1,270	27 1/2	27 1/2	+1/4	Comp	1,270	27 1/2	27 1/2	+1/4

NYSE Dividends									
Index	High	Low	Close	Chg.	Index	High	Low	Close	Chg.
Indus	1,270	27 1/2	27 1/2	+1/4	Indus	1,270	27 1/2	27 1/2	+1/4
Transp	1,270	27 1/2	27 1/2	+1/4	Transp	1,270	27 1/2	27 1/2	+1/4
Comp	1,270	27 1/2	27 1/2	+1/4	Comp	1,270	27 1/2	27 1/2	+1/4

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Comp	1,270	27 1/2	27 1/2	+1/4	Comp	1,270	27 1/2	27 1/2	+1/4

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Transp	1,270	27 1/2	27 1/2	+1/4	Transp	1,270	27 1/2	27 1/2	+1/4
Comp	1,270	27 1/2	27 1/2	+1/4	Comp	1,270	27 1/2	27 1/2	+1/4

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IBM	1,270	27 1/2	27 1/2	+1/4	IBM	1,270	27 1/2	27 1/2	+1/4
IBM	1,270	27 1/2	27 1/2	+1/4	IBM	1,270	27 1/2	27 1/2	+1/4

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**Billions for House**

**Inflation Low**

**Pleased With EC**

**Confirms Talks**

**Signs Refinancing**

**ago Board D**

**Future C**

**Choose**

**for Airbus**



## BUSINESS BRIEFS

## Coastal Corp. Subsidiary Makes Offer Of \$1.3 Billion for Houston Natural

HOUSTON (Combined Dispatches) — Colorado Interstate Gas Co., a subsidiary of Houston-based Coastal Corp., has made a \$1.27 billion tender offer for a controlling interest in Houston Natural Gas Co., according to officials.

Through its subsidiary, Coastal is offering \$68 a share for as many as 18.75 million shares, or 50.7 percent, of HNG's stock outstanding. Coastal has indicated plans to combine Colorado Interstate and HNG.

HNG's chairman, M.D. Matthews, had no immediate comment Thursday. Coastal had 1982 revenue of \$5.8 billion. HNG had revenue of just under \$3 billion in the fiscal year ended last July 31.

HNG operates the largest U.S. intrastate pipeline in terms of sales and has interests in coal, industrial gases and marine transportation. The company's stock, which trades on the New York Stock Exchange, closed Thursday at \$56, up \$5.125 from Wednesday.

## Japanese Inflation Lowest in 24 Years

TOKYO (Combined Dispatches) — Japan's consumer prices rose 1.9 percent in 1983, marking the lowest inflation rate in 24 years, the Prime Minister's office reported Friday.

The inflation rate was the lowest since a 1-percent rise was recorded in 1959, officials said. Wholesale prices fell 2.2 percent in 1983, owing mainly to the yen's appreciation against the dollar and low prices of imported crude oil, the officials said.

## Bonn Pleased With EC Steel Accord

BONN (Reuters) — Economics Minister Otto Lambsdorff said Friday that West Germany is satisfied with a new European Community accord on steel quotas.

EC ministers agreed in Brussels Thursday to extend compulsory steel production quotas until the end of 1985 as part of efforts to make the community's troubled steel industry economically viable. Mr. Lambsdorff said the accord assured West Germany of 31 percent of the community's steel output, its traditional market share.

The West Germans, Europe's biggest steel producers, had said that unless they obtained an adequate share, there could be no progress on community finances. Mr. Lambsdorff said: "The government is pleased that the steel issue is out of the way and that it no longer burdens the negotiating process on European financing."

## Wedd Confirms Talks on Ownership

LONDON (Reuters) — Wedd Durracher Mordant & Co., the London stock market's largest jobber, is holding talks over possible common links with a number of firms, including merchant banker Morgan Grenfell & Co., John Robertson, a Wedd senior partner, said Friday.

He was commenting on a press report that Morgan and Wedd Durracher, a private firm, have held discussions. A Morgan Grenfell spokesman declined comment. Mr. Robertson said conclusion of an agreement is not imminent, though Wedd did not want undue delay in this sort of situation.

Two publicly quoted jobbers, Akroyd & Smithers PLC and Smith Bros. PLC, recently announced agreements giving 29.9-percent stakes, the most allowed, to outside financial interests. Mercury Securities PLC, parent of S.G. Warburg & Co., bought into Akroyd, and N.M. Rothschild & Sons into Smith Bros.

## Brazil Signs Refinancing Package

NEW YORK (UPI) — Brazil signed Friday a \$28-billion refinancing package, the largest in history, that included a \$6.5-billion loan from more than 700 international banks.

The package includes a rescheduling of 1984 maturities totaling about \$5 billion, programs for maintenance of trade and interbank credit lines, and a \$2.5-billion commitment from major Western governments.

The first disbursement of \$3 billion from the \$6.5 billion loan is expected to be made to Brazil in about three weeks, William R. Rhodes, the senior Citibank official who headed the negotiations for the loan, said. The balance will be dispersed in four equal amounts during 1984. When Brazil receives the money, it will be able to pay in full about \$1.7 billion in interest arrears, a Brazilian official said.

## Chicago Board Devises Bond-Future Contract

(Continued from Page 7)

ment supports keep the price from moving very much. The same thing is true with milk.

Mr. Rutz's staff, among other things, compared municipal bond prices and yields with those of Treasury bonds to see if there were any strong correlations. If there were, then hedgers could use existing Treasury futures contracts to cut their risk in municipals. But no strong correlations were found.

Since bonds sometimes trade at quirky prices — one Altona bond's price can vary widely from that of another — there was still the problem of what bonds would make a fair contract.

In 1981, the board of trade hit a solution: a contract composed of only insured bonds, which tend to trade more predictably. Then, on Dec. 7, 1981, a new regulatory accord mandated that futures contracts on stocks, corporate bonds and municipal bonds had to be settled in cash, rather than by physical delivery of the commodity.

That killed that idea because all bonds do not trade every day, and to settle in cash someone impartial has to figure out daily what those bonds are worth.

The interest in a contract, though, continued.

A trade publication, the Bond Buyer, approached the board of trade and suggested a contract based on its index. The trouble was, its index was based on what dealers thought the bonds were worth, not necessarily on the price at which the bonds had most recently traded.

So the financial products committee met.

The committee entertained all manner of ideas. Some were sensible, others were preposterous. One New York mutual-fund dealer suggested that the contract consist only of New York bonds, and only those New York bonds that he happened to trade. The committee said it would get back to him.

It eventually hit on the idea of an index of 75 actively traded bonds. Four big bond brokers, who strictly handle sales between dealers and thus have no conflict of interest, would price the bonds. Then the

SEC issues subpoenas in bond case

(Continued from Page 7)

that if the underwriters had failed to share with investors material information on the problems facing the utility, "that would constitute fraud." He said this could also apply to brokers who withheld information from investors.

Mr. Shad told the subcommittee that a court could "conceivably grant financial relief to holders of bonds for the abandoned plans if the SEC takes action against the underwriters."

Likewise, Mr. Shad said, the underwriters "conceivably" could be obliged to give up their profits. However, Mr. Goelzer said that would be an unusual action. If bondholders are to get relief, it is more likely to come through private damage suits.

**Turks to Choose Boeing or Airbus**

ANKARA — Turkish Airlines, seeking three new medium-haul planes, has narrowed the choice to Boeing's 757 and 767 models and the Airbus Industrie A-310, airline officials said Friday.

The airline's planning director, Cetin Guvenir, said the airline had studied both planes but has yet to invite bids.

## U.S. Industries Seek Shelter of Import-Curb Law

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — One industry after another, producing everything from steel ingots, refined copper and leather footwear to stainless cutlery, has suddenly come to the U.S. government asking it to employ a powerful but relatively little-used instrument of protection from imports.

In their demands for quotas or higher tariffs on imports, the companies, which employ hundreds of thousands of workers, have seized upon a provision of U.S. trade law, dating from the days of Franklin D. Roosevelt, known as the escape clause.

If an industry can prove to the U.S. International Trade Commission that it is in serious economic difficulties and that imports are the main cause, then the case goes to the president, who makes the final decision about what, if any, protection to grant. The copper industry filed a petition Thursday.

Until recently, some of the same industries, and many others, had been relying chiefly on the so-called unfair trade clauses of U.S. trade law.

They provide for protection when a domestic industry is hurt because of subsidies by a particular foreign government or because a foreign company is "dumping" its products at prices below their "fair value." In these cases, injury also has to be proved to the trade commission. However, since the competition is allegedly unfair, the in-

jury shown need not be as great as in the escape clause cases.

By contrast, the escape clause filings cover all imports in a given industry, even those traded "fairly."

In the first three years of the Reagan administration only five escape clause cases were filed. One of those, stainless steel flatware, went to the trade commission only last month.

Yet within the past week, three big cases involving steel, copper and shoes have come before the commission and a fourth is expected to be filed by producers of canned tuna fish within days.

"Our plate was full and now it's overflowing," said Hal Sundstrom, assistant secretary for public affairs at the quasi-judicial commission, which in earlier days was known as the Tariff Commission.

Analysts advance these main reasons for the apparent shift in tactics:

- World overcapacity in most basic industrial sectors and the fact that the United States is still the biggest, relatively open market. This means a disproportionately large quantity of what is produced in the world automatically flows to the United States.
- The failure of basic industries in the United States to improve their competitiveness.
- The presidential election. According to the statutory schedule of procedures, the president might be

forced to decide on politically sensitive trade issues a few weeks before the November elections, if the cases reach his desk.

Francis M. Bator, an economics professor at Harvard who worked in the Johnson White House, noted, "Clearly, the timing of the cases has something to do with the coming election."

If the trade commission finds that there is an injury, it must send its recommendation for a remedy to the president within six months of the date of filing. The president then has two months to make up his mind.

Republican and Democratic trade analysts believe President Ronald Reagan will probably opt for some greater protection if the newly filed cases reach his desk.

Frank A. Weil, a Commerce Department official during the Carter administration, said: "This administration is more protectionist than it sounds, but it waits until it's under the gun, or someone makes it say 'uncle'."

Commissioner Paula Stern, a Democrat, who is in line to become chairman next June, said the spate of escape clause cases showed that "in spite of a generally held view that we have a recovery in the economy, many industries still feel that in 1984 they have import problems."

She declined to be more specific since she will be among those making recommendations to the president.

Of the four cases that were filed during the Reagan administration

## NEWS ANALYSIS

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## Storage Technology Abandons Computer Effort

By David E. Sanger

New York Times Service

NEW YORK — Storage Technology Corp. has said that it has abandoned a 2½-year effort to build an innovative mainframe computer, and that it would take a substantial write-off for the fourth quarter of 1983.

The computer, the first for the maker of disk and tape drives compatible with large International Business Machines computers, was

being developed under a partnership between Storage Technology and 300 to 400 investors.

A company spokesman said Thursday that "significant program delays" and the "need for substantial sums" to complete the project led to the decision.

Before the announcement, analysts had expected the Louisville, Colorado, company to report a loss of \$15 million to \$20 million for the year.

Company officials said Thursday night that they would not estimate the size of the write-off. But they said that about 400 employees working on the project in a California development laboratory would be laid off.

"They showed a fair deal of maturity in cutting their losses," said Lawrence W. Roberts, senior analyst at Hambrecht & Quist in San Jose, California. "If the machine was going to be late, cutting the

umbilical now was a wise move. Otherwise, it would have been a drag on earnings in 1984 and 1985."

Ronald Weinle, the company's vice president of investor relations and taxes, said that about \$70 million had been raised or invested by Storage Technology to design and market the mainframe, a large computer used for a variety of distributed processing tasks.

Mr. Weinle said he "still doesn't know" if any of the investors will get part of their money back.

The computer was based on CMOS technology, a means of packing a very high density of circuits on computer chips. The technique allows companies to run computers with significantly less energy than conventional computer circuitry, thus throwing off far less heat.

It also permits the computer to be much smaller in size than most mainframes, which can fill a good-sized room.

"We realized the market was changing, and that when this computer came out it might not be unique," Mr. Weinle said.

The reassignments are designed to strengthen leadership and capabilities, he said. At the same time, Mr. Miller said, there are no plans to reassign or revise the reports.

"They feel that the data was sufficiently accurate," he said, acknowledging a discrepancy between that statement and concerns expressed about the data and the report.

The next day the department noted discrepancies in the figures.

"There was some concern about what appeared to be inconsistencies in some of the estimates," said Kent Miller, a department spokesman. He said the data was not what the soybean industry had expected.

"I would not deny that the adjustments in staffing are related to these reports," he said. But he added, "To the best of my knowledge,

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## ADVERTISEMENT

## INTERNATIONAL FUNDS

27 January 1984

The net asset value quotations shown above are supplied by the Funds. The fund's net asset value is calculated daily and is based on the closing price of the fund's securities. The fund's net asset value is calculated daily and is based on the closing price of the fund's securities.

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## SPORTS

# U.S.-Canada Hockey Dispute Heats Up

## Amateur Status of U.S. Gold Medalists Is Challenged By Canadian Official

**United Press International**  
TORONTO — The dispute between Canadian and U.S. Olympic officials over Canada's plan to take three players who have signed National Hockey League contracts to the 1984 Winter Olympic Games is becoming increasingly bitter.

The International Ice Hockey Federation last year gave Canada clearance to use players who had signed pro contracts as long as they had not played more than 10 NHL games. The 10-game limit coincides with the NHL's stipulation that a player is not a true professional unless he has competed in 11 contests.

But U.S. officials have said that they are planning to protest Canada's use of such players.

Canada and the United States are scheduled to play Feb. 7, the opening day of the Games in Sarajevo, Yugoslavia.

Canada's chief international hockey negotiator, Alan Eagleson, had promised repercussions if the U.S. Olympic officials continued its complaint over Canadian plans to take three players who have signed NHL contracts to the Games.

On Thursday, he fired his open-

ing volley by disclosing that New York Islanders defenseman Ken Morrow and Mike Erzone, then captain of the U.S. team, both entered the 1980 Olympic Games under questionable amateur status.

"More bits and pieces are coming out about the 1980 team," said Eagleson, who is also executive director of the NHL Players Association, a prominent player agent and chairman of the Canada Cup. "The last thing we want to do is have players give back medals which they richly deserve to win."

Eagleson said the details of Morrow's amateur status are in a book entitled *One Game*, written by Morrow's agent Arthur Kaminsky and only recently released.

"In that book, he [Kaminsky] tells how he did a contract [with the Islanders] for Morrow with the agreement that it would not surface until after the 1980 Games," Eagleson said. Morrow joined the Islanders organization after the Games.

"In addition we have found that Mike Erzone, the captain of the U.S. team, played for the Toledo Goaldiggers of the International Hockey League in 1978 and '79 for a contract in excess of \$10,000."

Morrow appeared uneasy with the accusation. "I'm not going to get involved in that," Morrow said. "I don't know what the Olympic eligibility rules were at the time. I haven't spoken to Art Kaminsky. I'm confused about the rules. I'm not going to make any comments."

Islanders coach Al Arbour was more blunt, stating: "He didn't have a contract."

Erzone was not available for comment.

Eagleson said the Canadian Amateur Hockey Association has informed the U.S. Olympic committee that it questions Morrow's status, but has not yet indicated what it had learned about Erzone's eligibility.

"They [U.S. officials] were not happy about it," Eagleson said. "I think they would like to back off their position on the issue, but now they are afraid of being publicly embarrassed if they do."

Eagleson said Canada has no interest in challenging the eligibility of either player, but will, if that is what it takes to demonstrate that its Olympic hockey team is as qualified as any other to use the term amateur.

"What we are saying is for goodness sake, you are doing it, the

Russians are doing it, the Czechs and the Germans are doing it," Eagleson said.

Canadian officials want to use the marginal NHL players — Mark Morrison, who played one game for the Rangers in 1981-82, and Dan Wood and Martin Gosselin, who have signed contracts with NHL teams but have not yet played in the big time — to challenge the practice by which European countries routinely use players who make large salaries but still compete under the amateur label.

Members of the Soviet team play hockey virtually year-round and yet collect salaries from the Red Army or some industrial collective. And athletes play for pay in Czechoslovakia, Finland, Sweden, Switzerland and throughout Europe without being subject to the strict amateur code.

Only in North America, where payments are direct and widely publicized, does the International Olympic Committee draw a line.

"We want to advise the Americans that they should be with us in fighting this," Eagleson said. "It is not the U.S. or Canada who are abusing the system."



Glenn Hanlon, the New York Rangers' goalie, blocked Montreal Canadiens' Mats Naslund this time, but Naslund scored twice as Montreal won, 4-2, Thursday in New York.

## SPORTS BRIEFS

### Women's Downhill Delayed by Fog

**MEGEVE, France (UPI)** — The women's alpine World Cup downhill was cancelled Friday because of poor visibility and rescheduled for Saturday, race officials announced. The women's giant slalom scheduled for Saturday at St. Gervais was postponed until Sunday.

Officials halted the downhill after 19 of the 64 entrants had completed the course in thick fog and snow, which had reduced visibility to near zero.

West Germany's Irene Epple had posted the best time of one minute, 32.40 seconds for the 2,110 meter course. Switzerland's Ariane Ehrhart was second fastest, 0.21 seconds behind, with Canada's Laurie Graham third. Michela Figini of Switzerland said, "At one point it was so bad you could hardly tell where the ground was. It must have been the same for everybody."

### Rohrl Captures Monte Carlo Rally

**MONTE CARLO (AP)** — Walter Rohrl of West Germany, with navigator Christian Geistdorfer, won the 52nd Monte Carlo rally Friday in a four-wheel drive Audi Quattro for his third straight and fourth overall victory in the classic.

Showing their superiority in heavy snow, the Audis swept the top three places. Only one of the 30 special stages was not won by Rohrl or Swedish teammate Stig Blomqvist, with Bjorn Cederberg navigating.

Blomqvist, 1 minute, 13 seconds behind Rohrl in time taken over the 30 stages, with Hannu Mikkola of Finland, with Arne Hertz, third, 12.40 behind Rohrl. Jean Luc Therier of France in a Renault 5 turbo was fourth.

### Leonard Sets First Fight After Injury

**WORCESTER, Massachusetts (UPI)** — Sugar Ray Leonard said Thursday he has ended a 15-month retirement forced by an eye injury and will fight Kevin Howard (19-4-1) in a 10-round bout at the Worcester Centrum on Feb. 25. The fight reportedly would pay Leonard more than \$3 million.

Leonard, 27, said his eye problem caused by a detached retina has been corrected, but he intends to use thumbless gloves for the rest of his career.

The former undisputed welterweight and WBA junior middleweight champion said he hopes to arrange one fight every three months for the next two years before meeting Marvelous Marvin Hagler, the middleweight champion.



Sugar Ray Leonard ... back in the ring.

### Canadian Swimmers Set Standards

**WINNIPEG, Manitoba (AP)** — Alex Baumann and Victor Davis, two 19-year-old Canadians, set world best marks Thursday at the Canadian Winter Nationals short-course swimming championships.

Baumann beat his own world best in the 400-meter individual medley with a clocking of four minutes, 10.67 seconds, knocking two seconds off his previous standard he set in 1981. Davis also set a world best mark in the men's 100-meter breaststroke with a time of 1:00.61, surpassing the former standard of 1:01.0 set by Gerald Morken of West Germany in 1978.

### Floyd Leads San Diego Golf by 1 Shot

**SAN DIEGO (UPI)** — Ray Floyd, wireless since his wire-to-wire triumph in the 1982 PGA Championship, fired an 8-under-par 64 Thursday to grab the opening-round lead in the San Diego Open. Brad Bryant and Gary McCord were tied for second place at 65.

# Paris's New Sports Arena Is Almost Ready, But Are the Fans?

By John Vinocur  
New York Times Service

**PARIS** — In truth, this isn't much of a sports town. London roars for Arsenal or Tottenham; Paris usually yawns about Paris-St. Germain. A little racing at Longchamps or Autenil, tennis for a couple of weeks at Roland Garros Stadium in the spring, maybe a boxing match now and then — the city's sporting passions are discreet, circumscribed.

Now, Paris is going to have a remarkable new sports arena: the Paris-Bercy Omnisports Palace — called Bercy for short. It is more than an imaginative building that can seat 14,000 for a basketball game. It's a bit of a sociological riddle, with the question being whether an interest in indoor spectator sports can be grafted onto a community whose basic reflex about hockey or track or gymnastics is often a shrug.

"We have a core group of fans," said Jacques Goddet, who heads a management commission, hired by the city of Paris, Bercy's owner, to run the arena. "They're faithful and as intense and involved as those you'd encounter anywhere. But this country isn't like Spain or Italy where sports is part of national life. If you go to Fiat, Gianni Agnelli, the boss, talks soccer to you. It doesn't happen here."

Goddet said that the city expects Bercy to have "an enormous effect on things."

"At first, people will go to it a little like they go to

the Eiffel Tower," he said. "If the events are of a high enough quality, if the competition is good, we'll change mentalities a bit. Bercy is an enormously attractive place. People will come."

The arena, which will open Feb. 3 with a six-day bike race, is actually part of a recreation complex, bordering the Seine, at the Quai de Bercy that is costing the city something between \$70 and \$90 million. The decision to build it goes back to 1978, when Mayor Jacques Chirac, shortly after his election, decided that Paris needed a major arena. Since the razing of the Velodrome d'Hiver in 1958, the city lacked a modern indoor facility for any kind of sport or show.

A site at an abandoned warehouse area was chosen and work began in 1980. Eventually, the area around the sports palace will be landscaped for recreational activities, but the main attraction is the arena, which seats 17,000 for boxing, 14,000 for ice hockey. Pro cyclists racing around Bercy's sharply banked bicycle track described it as first class.

The track is the most unusual aspect of the building in terms of sports because it is permanent, which permits excellent performances, but limits, to a degree, Bercy's flexibility and seating capacity. The decision in favor of the track, according to Goddet, who is also publisher of L'Equipe, the daily sports newspaper, is one of Bercy's big gambles, because indoor cycle races, once very popular in Europe, have fallen away almost totally as a sport.

"We're sure we'll do fine with the six-day race because that's a spectacle and great fun," he said, "but we're really going to try to revive track racing ourselves. We're betting on rebuilding a sport."

To do it, Goddet said he hopes to create world indoor cycling championships, and a tournament involving team competition among Europe's strongest cycling countries.

In the same way, the city is now underwriting Stade Francaise and Le Racing Club, two of the city's basketball teams, and Les Francaises Volantes, a hockey team, in order to turn them into winners and permanent, strong attractions at Bercy. Basketball is popular in France, and Stade Francaise is a competitive club in the national league, but the interest in hockey must be created from next to nothing. Les Francaises Volantes are now a second division team, and support for the sport in France is largely confined to the Alpine region.

Turning the sports into a success, and Bercy with them, probably depends to a large degree on their treatment by television. Goddet believes his greatest allies are the coming of cable television to France, and the government's decision to create a fourth state network, whose focus is likely to be movies and sports events.

The events Bercy's organizers hope television would popularize are now being set up. Goddet said Bercy wants a strong relationship with Madison Square

Garden in New York and would expect to have the Knicks and the Rangers as visitors. The rest of the program involves creating a major tennis competition, a gymnastics grand prix to be held every March, a Paris hockey cup, a Paris indoor soccer cup and the first world indoor soccer championship, and a world indoor track and field championship.

Already on the program are a European boxing championship in February, an international equestrian competition in April, international gymnastics and handball tournaments, indoor motorcycle racing, and in May, the European qualifying round for the Olympic basketball tournament.

### Moser Gives Up on New Record Attempt

Italian cyclist Francesco Moser said on his arrival in Milan from Mexico on Friday that he decided to give up a scheduled attempt to set the world one hour indoor record because he is being troubled by a hantavirus infection. The Associated Press reported.

Moser, who set the world one hour outdoor record in Mexico City on Monday, had been planning to try the indoor mark at the new Bercy arena in Paris early in February. "I was injured during the successful record attempt in Mexico and I can not do another engaging performance in this condition. I need a few days of complete rest before starting in the six-day of Paris," Moser said.

# Careers of Kriek, Noah Taking Opposite Swings

United Press International

**PHILADELPHIA** — While Yannick Noah seems to have found peace on the tennis tour, Johan Kriek, the world's 15th-ranked singles player, is planning an extended vacation from competition.

"I'm basically sick and tired of playing tennis," Kriek said Thursday during a rambling news conference following his 7-6, 6-2, loss to unheralded Brad Gilbert in the third-round match at the U.S. Pro Indoor Tennis Championships.

"Maybe I'll stay home for six months and let my computer ranking fall below 100 and find a way to get incentive again," he said at a news conference filled with expletives, name-calling and criticism.

"This is rubbish. I'm a much better player. I don't know why I'm playing this way. I played like ... today."

"I think I've cracked. I've got too much on my mind. I've been playing too long. You just go from one city to another and I'm tired of it."

Kriek, 25, who was born in South Africa but recently became a U.S. citizen, won more than \$232,000 last year and was seeded ninth here.

He has been admired for his speed and athletic ability but criticized for giving some matches less than a total effort.

"It's a total waste of time and a waste of the public's money seeing me play this way," said Kriek, who lives in Naples, Florida. "I'm just a shell out there. It's Johan Kriek walking out there but my brain is somewhere else."

"This is an incredibly stressful life. I picked this profession but I'm not enjoying it. It's not fun. I'm sick of traveling. It's a bum-around life. Everybody thinks it's glamorous but it's not."

Kriek lost the first set tiebreaker 7-4 to Gilbert, the world's No. 62 singles player. He led 2-1 in the second set but dropped the last five games.

"I felt bad when I got up and I didn't feel like playing today," Kriek said. "I wasn't in it from day one. He played a lot steadier but I gave it to him."

"I have no guts at all. No guts, no glory — that's the bottom line."

For Noah, the only obvious change since he gave up the life of a national hero in France to find soli-

tude in New York is his hairstyle; he recently cut off his dreadlocks.

"It was a big change for me to leave home and come to another country," Noah said after defeating Henri Leconte of France, 7-6, 6-3. "I feel much better, really good. If I play well, everything will be okay. I feel comfortable on the court because I'm my own man."

Noah's travels have been well documented. After an emotional victory in the French Open last summer, he later served a 42-day suspension imposed for missing the World Team Cup competition.

As pressures at home grew, an emotionally distraught Noah announced he was moving to New York in search of a more normal lifestyle.

"I like it here," said Noah, who still gets nervous around crowds and still hates answering questions from the media. "I feel people look at me as a player and that's it. I'm No. 5 [in the world rankings] and if I lose, it's okay. At home, that was different."

In an entertaining match, Noah and the 16th-seeded Leconte battled to a first-set tiebreaker in which Noah ran off six straight points to win 7-3. Noah fought off a break point in the seventh game of the second set and broke the 20-year-old left-hander in the next game, the only break of the match, en route to victory.

"It's never easy to play against a friend," Noah said of Leconte, his doubles partner here. "He had some pressure on him. He wanted to beat me. But I think I'm tougher on the big points and he knows it. It was shown in the tiebreaker."

Meanwhile, top-seeded Ivan Lendl and No. 2 John McEnroe both scored 6-1, 6-2 victories, over Tim Gullikson and Scott Davis, respectively.

Lendl needed just 43 minutes to beat Gullikson, who was coming off an impressive win over 12th-seeded Brian Gottfried.

"If I play well, I'll win some quick matches," said Lendl, who served 10 aces. "I don't time the

matches but I don't mind if they're short. I was happy with the way I served. Obviously with a win like this, I must be playing well."

McEnroe worked 63 minutes but was no less effective in eliminating the 15th-seeded Davis, who only turned pro last June. McEnroe had his serve broken for the first time this week.

In other matches, fourth-seeded Jimmy Arias blew three match points in the third-set tiebreaker against No. 14 Heinz Günthard of Switzerland, before finally taking the game, 7-5, and the match, 5-7, 6-2, 7-6. Eighth-seeded Eliot Teltscher won a first-set tiebreaker 7-5 and dominated Eric Korita then on in a 7-6, 6-1 victory.

Tomas Smid of Czechoslovakia, seeded 11th, defeated Butch Walts, 4-6, 6-3, 6-2. Wojtek Fibak of Poland ousted Ben Testerman, 7-6, 3-6, 6-4.

In Friday's quarterfinals, Lendl meets Gilbert. McEnroe goes against Smid, Noah faces Teltscher and Arias takes on Fibak.

# N.Y. Yacht Club Names Challenger Against Australia

The Associated Press

**NEW YORK** — America II will represent the New York Yacht Club in its bid to regain the America's Cup in Australia in 1987, the club announced Friday.

The America II challenge will be directed by Chuck Kirsh, a leading sailing syndicator. John Koliou will be skipper and helmsman.

The New York Yacht Club also invited other U.S. clubs to join forces in the quest for the America's Cup, which was won last year by Australia after having been in the New York club's possession for 132 years.

On Tuesday, Dennis Conner, the losing skipper last year, announced that he will try to regain the Cup with the support of a national organization under the banner of the San Diego Yacht Club. Conner is commodore of the club.

### NHL Standings

Wales Conference

Team	W	L	T	Pts
NY Islanders	11	1	5	27
NY Rangers	10	7	5	25
Philadelphia	10	7	6	26
Washington	10	7	6	26
Pittsburgh	10	8	5	25
New Jersey	10	8	5	25

Team	W	L	T	Pts
Buffalo	10	8	6	26
Boston	10	8	6	26
Quebec	10	8	6	26
Montreal	10	8	6	26
Hartford	10	8	6	26

Team	W	L	T	Pts
Minnesota	10	8	6	26
St. Louis	10	8	6	26
Chicago	10	8	6	26
Toronto	10	8	6	26
Detroit	10	8	6	26

Team	W	L	T	Pts
Edmonton	10	8	6	26
Calgary	10	8	6	26
Winnipeg	10	8	6	26
Vancouver	10	8	6	26
Los Angeles	10	8	6	26

Team	W	L	T	Pts
Winnipeg	10	8	6	26
Calgary	10	8	6	26
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Calgary	10	8	6	26
Winnipeg	10	8	6	26

### College Basketball Scores

Thursday's Results

Team	Score	Team	Score
Dominican 68, Queens' 51		George Washington 73, Massachusetts 61	
LaSalle 81, Iowa 61		Monmouth 72, Army 61	
St. Joseph's 72, Rutgers 51		St. Joseph's 72, Rhode Island 71	
Temple 70, Duquesne 51		W. Virginia 72, Penn St. 61	

Team	Score	Team	Score
Ala.-Birmingham 74, N.C. Charlotte 61		Georgia 72, Florida A&M 51	
Georgia Tech 72, Clemson 51		N. Carolina St. 79, Duke 76	
S. Alabama 67, Ill. Dominican 51		So. Mississippi 61, SW Louisiana 51	

Team	Score	Team	Score
Illinois 64, Michigan St. 41		Indiana St. 72, Northwestern 41	
Indiana St. 79, Bradley 61		Ohio St. 65, Iowa 51	
Purdue 61, Michigan 51		So. Illinois 71, Drake 61	
Whitney 61, Illinois St. 41			

Team	Score	Team	Score
Arizona St. 64, N. Texas 51		So. Methodist 61, Texas Christian 51	
Tulsa 75, Creighton 61			

Team	Score	Team	Score
Birmingham 74, N.C. Charlotte 61		Georgia 72, Florida A&M 51	
Georgia Tech 72, Clemson 51		N. Carolina St. 79, Duke 76	
S. Alabama 67, Ill. Dominican 51		So. Mississippi 61, SW Louisiana 51	

Team	Score	Team	Score
Illinois 64, Michigan St. 41		Indiana St. 72, Northwestern 41	
Indiana St. 79, Bradley 61		Ohio St. 65, Iowa 51	
Purdue 61, Michigan 51		So. Illinois 71, Drake 61	
Whitney 61, Illinois St. 41			

**CINCINNATI**—Announced contracts with Frank Pastore, pitcher, on a four-year contract, and Bruce Bermyl and Charlie Mason, pitchers, Tony Perez, first baseman, and Nick Esosky, third baseman, to one-year contracts.

**NEW YORK**—Signed Danny Heep, first baseman-outfielder, to a one-year contract.



